



ACDI/VOCA

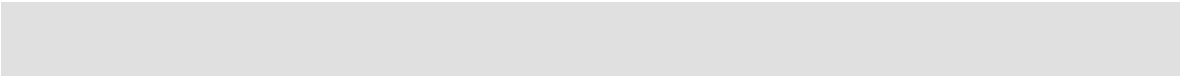
Uganda

2002-2006 Title II DAP

Mid-Term Evaluation

9/20/04

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I Executive Summary

This is the mid-term evaluation of ACDI/VOCA's 2002-06 P.L. 480 Title II DAP program in Uganda. It has been conducted by two outside consultants who spent three weeks in Uganda during August 2004 reviewing program accomplishments, problems encountered and resolved, and results achieved, as required by the Scope of Work (Annex A).

Overall, ACDI/VOCA has maintained the high level of success achieved in predecessor programs, as has been noted by all who have been interviewed, a review of program reporting documentation, and field visits to activities in several parts of the country.

There are two primary components of this program aimed at the overall objective of "...[mitigating] food insecurity in rural areas of Uganda by enhancing agricultural production, marketing, rural financial services and increasing nutritional awareness." This requires, first, progress in enhancing agricultural productivity, household income, and improving nutritional status among all targeted beneficiaries – an estimated 120,000 rural inhabitants and, second, an additional effort to improve the well-being and food security of more than 60,000 beneficiaries living in households afflicted with the scourge of HIV/AIDS.

This evaluation discusses a number of areas of excellent progress in both the functional programmatic areas and in management and organization. While there have been problems, they are, in the main, not major and readily capable of resolution. These are summarized in the conclusions section starting on page 42 and further addressed in the 15 recommendations for the near- or longer-term attention of ACDI/VOCA and/or USAID/Uganda.

Among the more important of the areas of concern are:

- i) the need to increase the utilization of information generated from the monitoring of the impacts of capacity building efforts. The evaluation team argues such efforts need to become a core activity of the agricultural component of the program;
- ii) the ways in which program achievements are linked to food security outcomes are not clear;
- iii) concern about the continued viability of U.S. vegetable oil as the main monetization medium, given changes now underway in the Ugandan edible oil industry

The report contains 15 recommendations found at paragraph 122.

Acronyms

APEP	Agriculture Productivity Enhancement Program
BFA	Bangoma Farmers Association
BUCADEF	Buganda Cultural and Development Association
BUFA	Bugangaizi United Farmers Association
CASHFARM	Center for Advancement of Smallholder Farmers
CB	Centenary Bank
CEDO	Community Enterprises Development Organization
CFLGF	Commercial Farm Loan Guarantee Fund
FAAB	Farming as a Business
FSF	Food Security Fund
GMU	Grants Management Unit
HA	Hunger Alert
IDEA	Investment in Development Export Agriculture
IPTT	Indicator Performance Tracking Table
KYAWDA	Kibaale Youth and Women's Development Agency
MAAIF	Ministry of Agriculture, Animal Industry and Forestry
MBW	MBW Consulting engineers
MEMS	Monitoring and Evaluation Management Services
MIS	Market Information Service
MOU	Memorandum of Understanding
MUBUKU	Mubuku Irrigated Maize Seed Production Project
NALG	Nakisenhe Adult Literacy Group
NGO	Non Governmental Organization
NSARWU	National Strategy for the Advancement of Women in Uganda
PEPFAR	Presidential Emergency Plan for HIV/AIDS Relief
REAP	Rural Economy and Agriculture Production
S&CB	Standard and Chartered Bank
SLW	Special Loan Window
SPEED	Support for Private Enterprise Expansion and Development
TASO	The AIDS Support Organization
TRC	Technical Review Committee
UGT	Uganda Grain Traders
UOSPA	Uganda Oil Seed Producers and Processors Association
URDT	Uganda Rural Development & Training Programme
USAID	United States Agency for International Development

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II Background

ACDI/VOCA manages a P.L. 480 Title II DAP development program in Uganda which began in September, 2001 and is scheduled to conclude in September 2006. This is the mid-term evaluation (MTE) of that program. The MTE has been drafted during a three-week period in August, 2004 by a two-person team of independent consultants in accordance with terms of a Scope of Work¹ prepared by ACDI/VOCA staff. The SOW calls for the Evaluation Team to:

“...determine how well the program is achieving its goals and objectives, to determine the sustainability of certain program components, and to make recommendations for improving the program during the remaining portion of the DAP. The evaluation team will also consider notable achievements to date, challenges that have been encountered, and the degree of success with which ACDI/VOCA has overcome these challenges. The evaluation will...examine and comment on the extent to which the ... [program] is responding to the food security objectives of USAID.”

As can be seen from the text of the SOW at Annex A, ACDI/VOCA has posed approximately 35 issues, areas of interest and specific questions in which the evaluation team has been tasked to analyze potential problems or issues, to extrapolate evaluative judgments and to propose possible prescriptive remedies for the remaining lifetime of the DAP or for inclusion in any follow-on activity, where deemed appropriate. While the following MTE report is intended to do so to the extent time and circumstances have allowed,² it is respectfully suggested that the time allotted for these tasks (i.e., 3 working weeks) is too short a time to investigate and report on all of these issues, concerns, and questions to the extent they merit. It is recommended (*Recommendation No. 1*) that ACDI/VOCA consider a minimum of 4 working weeks for such tasks in the future. This would allow 1-2 days for preliminary briefing; 7-10 days for site visits; 5-6 days for interviews of staff, partners, grantees, other donors, governmental officers, USAID staff and other interested parties; 5-7 days for drafting a 40-50 page report; 1-2 days for preparing and making presentations to ACDI/VOCA staff, others, and USAID; and 1-2 days for final edits and discussion of the implications of the report. During the present MTE the Evaluation Team has had to undertake less of each of these activities than our professional judgment suggests is optimal.

It is worth noting, in this regard, that P.L. 480 Title II is the only element of overall U.S. food aid³ requiring – as a matter of policy – the performance of mid-term and final evaluations of each individual country program, i.e., of the Development Assistance

¹ Found at Annex A.

² A serious medical condition required that one team member depart Uganda 8 working days early.

³ Total U.S. foreign food aid is comprised of six programs: PL 480 Titles I, II, and III, Section 416(b) of the Agriculture Act of 1949, Food for Progress, and the McGovern-Dole Food for Education and Child Nutrition programs.

Program (DAP).⁴ The mid-term evaluation plays a uniquely important role in the DAP process. It reviews performance against targets and objectives but also provides guidance and recommendations for the design of follow-on activities, to the extent such are required. The final evaluation of a Title II DAP, which might be expected to perform this function, occurs too late in the project's lifetime to provide inputs into the design of follow-on activities. Thus, a portion of this report draws conclusions intended to underpin suggestions (found in Section VI) for the use of Title II resources in Uganda in the post-2006 period.

The 2002-2006 ACDI/VOCA DAP was designed as the third of a series of Title II-financed DAP activities focused on food security outcomes in selected areas of rural Uganda. The first DAP in Uganda commenced in 1993 and was designed to develop a smallholder and small-scale enterprise-oriented vegetable oil industry in rural and small town Uganda as a means of increasing oilseed production and incomes derived by producers and processors of that commodity. The 1993 DAP initiated the process of importing U.S. vegetable oil to be sold ("monetized") to small-scale value-added processors and purveyors in the smaller towns and rural areas of the country. The local currency proceeds from those sales were used to develop and strengthen local oilseed milling and processing facilities in these areas and to develop internal demand for smallholder-produced oilseeds (principally sunflowers and soybeans). This in turn, as envisaged, would lead to a strong, competitive oilseed industry with forward and backward linkages to food insecure rural households and small-scale millers, wholesalers, transporters, retailers, and average Ugandan consumers who historically demonstrate inadequate dietary intake of oils.

This first DAP was followed, in 1997, by a second, built on the evaluated successes of the first DAP, and expanded to include support for smallholders producing other food and cash crops, expanded extension and training, involvement of the rural banking system in providing micro-credit to farmers and small enterprises in geographic areas contiguous to DAP activities, and relevant food crop research, particularly in cassava. The ACDI/VOCA DAP II efforts were abetted by a number of partner organizations and ACDI/VOCA took on the task of monetizing Title II commodities (primarily hard wheat) for other cooperating sponsors. The final evaluation determined that the 1997-2001 DAP had met or exceeded targeted increases over baseline values in agricultural production, gross incomes, and dietary diversity – with particularly good results in increasing maize, bean, oilseed and cassava production among participating beneficiaries and their local communities. That evaluation contained cautionary language, however, relating to areas of rural roads rehabilitation and in the use of Title II-generated funds to guarantee rural credit extended by participating banks. The evaluation team suggested that the DAP-financed rehabilitation of rural roads in Uganda was relatively expensive and the required levels of on-going maintenance might be beyond the fiscal and technical capacities of local governments charged with that responsibility. With regard to the use of some monetization proceeds to guarantee smallholder debt, the evaluators noted that, at the

⁴ Technically, the term DAP denotes "Development Assistance Proposal." Common usage, however, has converted the word "proposal" to "program" at the time the proposal is approved by USAID's Food for Peace office.

time, several hundred million shillings of the DAP-financed guarantee funds had been claimed by the two participating banks to cover un-repaid small rural loans.⁵ The evaluators also cautioned that Uganda's latent capacity to produce sizable exports of maize, beans and other foods for its often food-short neighbors could be both boon and curse. Demand for Ugandan agricultural products in Kenya, Tanzania, Rwanda, Eastern DRC, and Southern Sudan has fluctuated greatly from one year to the next – depending on both natural and human-caused constraints on food production in those countries which can create high prices for Ugandan products one year and closed borders and very low producer prices the next.

Overall, however, ACDI/VOCA's efforts under the 1997-2001 DAP were awarded high marks in both the mid-term and final evaluations for programmatic progress toward objectives and for the performance of its staff in having done so. ACDI/VOCA was encouraged to develop a follow-on DAP for the 2002-2006 period built on the successes and lessons learned from its previous programs in Uganda.

III The 2002-2006 DAP⁶: What Was Intended?

A. The overall objective:

“...mitigate food insecurity in rural areas in Uganda by enhancing agricultural production, marketing, rural financial services and increasing nutritional awareness.”

Progress toward this objective is seen to require increased agricultural productivity, household income, and the capacity to buy – and better utilize – food on the part of participating beneficiaries. In addition, the DAP proposed to target a significant element of Title II resources on people living with HIV/AIDS (PLWHA) by means of a food distribution program coupled with ongoing counseling services to be made available by NGOs. In this regard, two distinct strategic objectives were developed to add concreteness to the primary, overall objective of the 2002-06 DAP:

SO1:

“To improve food security by raising the production and marketing of selected crops and increase rural household incomes for 120,000 beneficiaries, with a focus on vulnerable groups.”

SO2:

“Improve the food security of 60,000 people living with HIV/AIDS and their families through direct feeding programs.”

⁵ An amount substantially reduced and refunded to ACDI/VOCA in the post-2001 period by the banks as a consequence of tardy, but welcome, repayments.

⁶ Hereafter the term “DAP” refers to the 2002-2006 DAP.

B. Relationship to USAID/Uganda's 2002-07 Integrated Strategic Plan

USAID/Uganda's 2002-07 ISP proposes three strategic objectives: i) expanded, sustained economic opportunities for rural sector growth (SO7); ii) improved human capacity (SO8); and iii) more effective and participatory governance (SO9). The ACIDI/VOCA DAP is generally viewed as promoting primarily SO7 objectives, because of its historical and continuing focus on growth in agricultural production and incomes of largely food insecure rural households. It has also, over the past three years, come to be seen as supporting the achievement of SO8's human resource objectives because of its direct distribution of food assistance to – and technical assistance promoting the productivity and incomes of – households afflicted with HIV/AIDS, plus technical support provided to partner Cooperating Sponsors also working with HIV/AIDS-affected households and communities. The case is made – albeit briefly – later in this report that elements of the ACIDI/VOCA approach demonstrate a significant, positive, impact on participatory governance, i.e., the promotion of SO9 objectives, among beneficiary households manifested at the community and farmer group level.

USAID's SO7 promotes broad-based economic growth by increasing rural productivity and competitiveness of small- and medium-scale agriculturists and small, medium, and large enterprises operating in the rural sector stemming degradation of the natural resource base on which Uganda's agriculture-dependent economy relies for growth and improved livelihoods. At the "goal" and "objective" levels the DAP statement of objectives clearly mirrors and comports with USAID's strategy focus. It is particularly well-focused on USAID's Intermediate Results (IRs) 7.1 ("Increased food security for vulnerable populations in selected regions") and 7.2 ("Increased productivity of agricultural and natural resource systems in selected regions"). The manner in which ACIDI/VOCA Title II DAP-sponsored activities help to make progress against SO7 – and, in particular, these two constituent IRs – is discussed at length in relevant sections below.

SO 8 addresses the health and education dimensions of making Ugandans more productive and secure. Reducing the prevalence of HIV/AIDS and improving the longevity, quality of life and continued productivity of individuals afflicted by HIV/AIDS and their households is a large, important element of this SO. ACIDI/VOCA activities are aimed at maintaining levels of nutritionally-adequate food intake, training affected households in maintaining productivity and income-earning capabilities as long as possible, and technical support to other NGOs enabling more effective implementation of their own HIV/AIDS activities. These, the evaluation team has concluded, contribute significantly to USAID's progress toward SO8 objectives.

The contribution to SO9 is in the strengthening of 15 local NGO grantees and, through them, their more than 1,800 constituent farmer groups in self-generated and self-motivated preparation of local development plans and the methods for implementing them. These on-going experiences in what is, in fact, local self-governance – involving matters of basic livelihood strategies and security – imparts not only early training in group consensus-building and the necessity for generating compromises within and between groups, it seems to be generating increased self-esteem and more visible

participation in group endeavors by women farmer members.⁷ The increases in participation by women farmers are seen, thus far, in anecdotal evidence developed in the site visits and interviews conducted by the Evaluation Team. It is suggested that there be increased monitoring of this aspect of project-related outcomes during the remainder of the present DAP and in any subsequent DAP.

C. Resources Requested and Resources Approved

The original DAP program budget (in US \$) was as shown in Table 1a:

Table 1a: Original DAP Monetization Budget

Heading	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Total Agriculture Activities	5,177,821	4,868,671	5,021,878	4,983,263	5,058,879	25,110,512
Total HIV/AIDS Activities ⁸	1,504,708	1,507,462	1,555,038	1,594,469	1,643,833	7,805,510
TOTAL from monetized proceeds	6,682,529	6,376,133	6,576,916	6,577,732	6,702,712	32,916,022

Source: ACDI/VOCA -Uganda data

In order to generate the local currency equivalent of this nearly \$33 million, commodities with a market value (FAS) of approximately \$41 million.⁹ USAID/FFP approved \$23.3 million in commodities for monetization – 43 percent less than estimated requirements.

To achieve the level of desired results by the end of 2006 described in the DAP ACDI/VOCA requested 20,000 MT of vegetable oil, and 24,010 MT of wheat to support SO1 (agriculture); 5,000 MT of vegetable oil and 12,230 MT of wheat to support SO2 (HIV/AIDS); plus 2,750 MT of vegetable oil and 32,859 MT of corn-soy blend (CSB) for direct distribution to the 60,000 targeted PLWHA beneficiaries. In addition, \$2,167,760 in Title II Section 202(e) supporting assistance. Table 2b shows the requested Title II commodity and dollar assistance levels as well as the final, agreed levels.

Table 1b: Requested vs. Approved Commodity Levels

Commodity	LOA Total Requested		LOA Total Approved		\$ difference	% difference
	MT	\$ million	MT	\$ million		
HRW Wheat	36,240	9,168,720	38,050	15,752,700	6,583,980	72
Vegoil for monetization	25,000	23,750,000	12,913	11,344,800	(12,405,200)	-52
Vegoil for distribution	2,750	2,438,600	2,500	2,220,600	(218,000)	-9
CSB	32,859	16,602,400	29,280	14,853,100	(1,749,300)	-11
TOTALS:	96,849	51,959,720	82,743	44,171,200	(7,788,520)	-15

There were a number of consequences in both the health and agriculture sectors resulting from the approved levels significantly under those requested:

⁷ This important, but unintended, consequence may be in the process of being attenuated somewhat by an “interface” problem with another USAID-supported project. This is discussed in Paragraphs 111-114 below.

⁸ From monetized proceeds only. Does not include value of CSB and vegetable oil directly distributed to PLWHA beneficiaries.

⁹ Actual monetization of vegetable oil and wheat in Uganda in recent years have been sold at approximately 80 percent, or a little more, of their FAS costs. Thus, the dollar value of commodities needed to generate “X” dollars worth of Ushs is 1.25X.

Health: In the initial budget development process, an oversight led to the failure to identify an M&E line item for HIV/AIDS. A limited amount of the “direct costs” line item survived the cuts, but it was insufficient to enable optimal levels of monitoring. Subsequently, the M&E budget under the agricultural objective was split to accommodate both requirements, but these monies have, in fact, been insufficient – particularly in light of the pilot nature of these activities.

Agriculture: The budget reductions caused significant reduction in the ability to implement several elements of the agricultural program. Table 2c reflects the ripple effect of these cuts through the various elements of the program:

Table 1c: DAP Agriculture Budget: request vs. approval

Line Item	LOA Request (\$)	LOA Approval (\$)
Activity		
Agric. Grants – food security	9,111,360	7,281,320
Road rehabilitation	5,000,000	2,500,000
Rural financial services	2,500,000	500,000
Monitoring		
Ssemwanga Centre	978,000	796,370
MBW	558,855	292,002
Total	18,145,215	11,369,692

Even though the total activity and monitoring budgets were cut substantially, as shown above, performance indicators were not reduced in line with these cuts in resources. For example, the original DAP proposed \$5 million for 520 km of road rehabilitation and maintenance. The approved DAP provided half that but retained the full 520 km of road activities. It is difficult to understand this reasoning. Likewise, the monitoring budget was cut by nearly \$200,000 even though monitoring activities had to be expanded to include HIV/AIDS activities. Issues regarding the roads and monitoring sub-components discussed later relate directly to these budget cuts.

D. The DAP Approach and Overall Implementation Methodology

Overall Approach

The DAP proposed to improve the food security and household income for 120,000+ rural beneficiaries during the 2002-2006 period and the well-being and food security of an additional 60,000 households of people living with HIV/AIDS. Each of the principal elements of agricultural production – inputs, production, post-harvest handling and marketing – were to be in play as well as efforts to improve household nutrition and the productivity and well-being of “people living with HIV/AIDS” (PLWHA).

To accomplish the task in agriculture, relatively poor, frequently food insecure, smallholder farmers need to be moved successfully from livelihood strategies promoting largely subsistence objectives to strategies operating increasingly within the commercial agriculture sector. The DAP proposed that simultaneous progress in several related economic spheres would need to be pursued in order to improve the prospects for beneficiary farmers to compete successfully in commercial endeavors. This required:

- increased access to rural financial services for inputs, production, and marketing
- increased agricultural productivity
- increased adoption of improved agricultural practices and utilization of improved inputs
- increased market access at both local and more regional levels
- improved nutritional practices at the household level leading to more appropriate food intake patterns particularly for women, infants and small children

In the HIV/AIDS component, the task was to provide several types of assistance directly – and indirectly through partners – to selected households affected by HIV/AIDS. Here, the task was not only to help maintain appropriate nutrient intake by those afflicted with HIV/AIDS, but, in doing so, to enable them to remain as productive as possible for as long as possible by providing technical assistance and training, largely through implementing partners: TASO, CRS, World Vision, and Africare and agricultural grantees CEDO, BUCADEF and FADEP.

General Implementation Methodology

The basic operations of the program are similar to methods developed – and in many areas perfected – in the earlier DAPs. ACDI/VOCA activities are financed by the importation of vegetable oil from the United States under the P.L. 480 Title II food aid program. This vegetable oil is sold (“monetized”) to small- and medium-scale edible oil processors and retailers under a sealed bid auction system and the Uganda shilling proceeds are deposited in the local Citibank affiliate and subsequently moved to a project account in Standard Chartered Bank from which they are disbursed for use in DAP program activities. Wheat is also imported for monetization – largely for use by the four other U.S. NGOs operating DAP programs in Uganda which do not undertake their own

monetization. ACDI/VOCA also monetizes some of the imported wheat for its own DAP activities. This wheat is sold by negotiated sales to eight local mills and bakeries, although three of these are the principal buyers. For sales of both vegetable oil and wheat the average dollar value, at exchange rates prevailing at the time of contract signings, has exceeded USAID's required minimum of 80 percent of the FAS value of the commodities.¹⁰

The principal means for supporting DAP program objectives in both agriculture and HIV/AIDS is through the awarding of Uganda shilling (Ushs) grants to local or international NGOs, agricultural research organizations and businesses on the basis of quite stringent reviews and critiques of proposals submitted by a large number of such organizations seeking funding for on-going or new activities that are seen as best promoting the objectives of the DAP. This process is initiated within ACDI/VOCA where the PL 480 activities are "birthed" in ACDI/VOCA's Grants Development Unit (GDU) and in which all partners go through a rigorous approval process, including the Title II HIV/AIDS initiative partners. Two separate sets of proposal and reporting guidelines have been developed and two separate technical review committees are used for the agriculture and HIV/AIDS components. The proposal approval process is the same for both.

The proposal development process begins with a "Pre-Award" survey to assess the level of risk exposure for ACDI/VOCA in working with potential agriculture grantees. This tool is then used to inform the level of monitoring required by the Audit/Accounts technician. Shortly after the award of the grant and the signing of a grant agreement with the successful applying organization, the GDU undertakes a series of intense training sessions with each participating grantee or partner.

This training and related follow-up and monitoring – as well as additional capacity-building and other support activities by ACDI/VOCA and its several partners – was intended to constitute the core of the program as presented in the DAP. It remains so, as will be seen in the following Section. Table 2 on the following page is fairly typical of the agricultural and nutrition training provided, first to the grantee's staff, and then by that staff to its constituent farmer groups, model farmers, and to the all the members of these groups.

¹⁰ See the 63 monthly reports prepared by ACDI/VOCA entitled: "Umbrella Monetization Uganda." The latest as of the writing of this report (ACDI/VOCA, 2004b) is dated 13 August, 2004.

Table 2: Example of types of agricultural training provided to and by grantees for farmer groups & their members under the 2002-06 ACDI/VOCA Title II DAP¹¹

Training Course	Content
Farming as a Business (FaaB)	<ul style="list-style-type: none"> • Concept of “business profit” • Determining prices • Projected income statements • Group/association management – how to work in work in groups...and why. • How to find and best utilize input, production, and post-production credit
Agronomy	<ul style="list-style-type: none"> • Setting up demonstration plots • Recommended spacing and other planting techniques • Fertilizer use • Top dressing • Importance of proper weeding
Post-harvest handling and marketing	<ul style="list-style-type: none"> • Causes of post-harvest losses • Proper harvesting • Importance of moisture content in grain (a particular problem in bimodal rainfall areas) • Proper drying techniques • Improved shelling • Improved on-farm and group storage techniques
Nutrition	<ul style="list-style-type: none"> • Food values • Growth charts • Healthy feeding for infants and young children • Appropriate health and nutrition for the pregnant and lactating woman and sick family members. • Importance of micronutrients and local food sources • Household vegetable gardens • Sanitation and clean water

There have been a total of 24 grants made to date, with one presently under review.¹² One of these grantees has been removed from the program because of the discovery of apparent financial irregularities and poor project performance. Discussion of the total numbers of groups being supported and numbers of benefiting members is found later in this report.

In addition to the grantees, ACDI/VOCA-Uganda works with a number of partner organizations (some of which operate under contractual arrangements, while others are also grantees) to provide monitoring and data collection, agriculture research on particular crops, bank credit, agronomic advisory services and collateral training and support, road rehabilitation, engineering and supervision, weekly radio broadcasting of crop price information, support for all DAP elements, and also for primary implementation of the direct distribution elements of the HIV/AIDS component of the DAP.

¹¹ In addition, support is provided to groups to strengthen their capability to help members reach joint decisions on matters relating to their common economic interests, to develop and pursue priorities and effectuate decisions reached by the group – all processes very much related to instilling and practicing at the community level the precepts of local governance.

¹² See Annex D.

ACDI/VOCA-Uganda also serves, as noted earlier, as the sole monetizing agent for four other U.S. NGO Title II DAPs operating in Uganda: Africare, CRS, Save the Children and World Vision.¹³ This effort entails close monitoring of all port arrivals of Title II commodities (hard red winter wheat, vegetable oil, and corn soy blend - CSB), their discharge from the port, temporary warehousing and subsequent shipment by rail or road through Kenya to destination warehouses in Uganda. ACDI/VOCA is responsible for the sale in Uganda of commodities intended for monetization and for shipment of CSB and some vegetable oil to destination warehouses of the U.S. NGO partners responsible for distribution to selected People Living with HIV/AIDS (PLWHA) in both rural and urban locations. A functional diagram of the ACDI/VOCA-Uganda office is found at Annex B.

All grantees/partners report to the GMU on a quarterly basis and submit both results and financial reports. Copies of the Ag results reports are sent to the Ssemwanga Centre for compilation. The GMU team reviews the Ag results reports and the Program Nutritionist, Assistant Grants and Development Manager, the Compliance Manager and the Compliance Officer review the HIV/AIDS quarterly reports. The results reports for both components include information on sample beneficiaries who are tracked for the life of the programme. Additionally all Ag grantees receive data collection and reporting training from the Ssemwanga Centre. The Audit/Accounts technician reviews all the financial reports and ensures disbursement of quarterly funds following sanction of the results reports and satisfactory financial accounting by grantees/partners.

Annual compilation of the data submitted by the grantees is used to inform the IPTT table, however, the Ssemwanga Centre collects some of the data reported in the IPTT on an annual basis in two separate annual impact surveys for the two program components. A considerable amount of data is collected annually during this survey process in order to allow programme staff to monitor grantee performance and program progress. A statistically calculated number of both direct and indirect beneficiaries are surveyed for comparison.

Information collected in the annual impact survey includes but is not limited to:

- Percent distribution of source of farm inputs by crop
- Level of farm input costs by crop
- Farmers' comments on adequacy of extension service
- Level of farm Management practiced
- Crop gross income
- Household characteristics
- Percent distribution of group activities
- Usage of drying facilities
- Usage of storage facilities
- Value addition activities carried out
- Sources of market information

¹³ A fifth, TechnoServe, decided, during the course of the DAP period to close down its DAP-financed operations in Uganda.

- Farmer use of price information
- Different forms of credit in kind obtained by farmers
- Percent distribution of credit by type and purpose
- Knowledge of signs of poor feeding among children below 5 years by age group
- Farmers perceived areas for priority intervention
- External factors affecting farmer performance

Copies of the impact reports are submitted to USAID annually, with some of the information used to report results in the CSR4 reports to USAID/Washington.

Agricultural grantees are visited by each member of the GMU team every quarter and checklists for the technical areas are used to support field trip reports. The information reported by grantees, coupled with the GDU field visit reports and annual impact reports is used to identify areas of revision and to field volunteer technical assistance which the GMU itself is unable to provide.

IV. Analysis of Performance during FY 2002 - FY 2004

The project, as of August 2004, is nearing the end of its third year of implementation, a few months beyond the half-way mark. Section IV of the evaluation briefly describes the components of the DAP, discusses progress in light of planned targets or benchmarks using the most recent compiled data, identifies major issues and problems, discusses how these have been addressed and what might need to be done to improve performance, if such is needed. In some instances data are only as recent as the end of FY 2003, since these data are collected against results indicators and reported on an annual basis, often at the end of the fiscal year. Findings, suggestions and recommendations are found at the points in the narrative where they are most relevant and collected again in Section VI. This present Section is divided into: i) analysis of the performance of the functional components of the DAP in achieving progress toward programmatic objectives and, ii) analysis of the effectiveness of ACDI/VOCA's management structure and methodology.

A. Functional Analysis

As noted earlier, there are two distinct programmatic components of the DAP: i) improving the income, livelihood, and food security status of targeted smallholder agriculturists by improving their agricultural productivity and marketing (including efforts to improve household nutritional status), and ii) efforts to improve the well-being and productivity of people living with HIV/AIDS, utilizing both development and direct distribution elements carried out largely by U.S. NGO partners, abetted by management, monitoring, and evaluation support from ACDI/VOCA-Uganda. These are discussed in turn in the following sub-sections. Discussion and analysis of the structural and management elements of the 2002-06 DAP follows.

1. Agriculture

Strategic Objective 1 relates to the agriculture component of the DAP:

“To improve food security by raising the production and marketing of selected crops and increase rural household incomes for 120,000 beneficiaries, with a focus on vulnerable groups.”

The program focuses on increasing the production, productivity and income of smallholders growing specified crops: maize, beans, cassava, and oilseeds. Farmers growing some other identified crops – sorghum, millet, groundnuts and, in some cases, upland rice – are also considered for inclusion on a case-by-case basis. Progress against this SO during 2002-04 has involved ACDI/VOCA’s operating cooperatively with a number of partner organizations and grantees¹⁴ which provide technical assistance, skills training, sub-project supervision, credit, marketing services, monitoring and reporting services, feeder road rehabilitation, improved agricultural inputs, and research. Annex D provides the present (July, 2004) status of local currency grants made under this DAP to these organizations.

Table 3: ACDI/VOCA-Uganda grantees: numbers of client groups and members

Grantee	Number of farmer groups	Total membership of groups	Total number of extension staff	Total contact farmers trained	Total number of farmers trained
BUCADEF	220	5,500	22	19	3,834
CASHFARM	90	2,700	6	5	9,024
BUFA	120	4,500	4	16	4,707
Hunger Alert	216	5,400	10	4	5,456
CEDO	21	640	5	3	1,597
KYAWADA	18	450	4	6	525
NSARWU	90	1,800	4	33	512
NALG	96	2,100	6	8	1,148
UOSPA	900	2	17	16	39,559
FADEP	64	1,600	3	20	800
TOTAL:	1,835	2	64	114	67,162
Average # groups/members	104	2,743			

Source: ACDI/VOCA data.

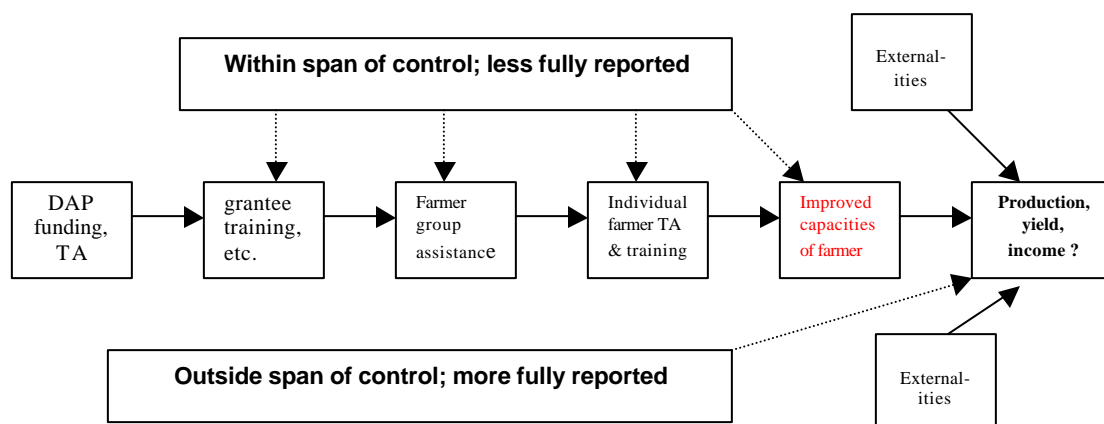
These grants are managed by ACDI/VOCA/Uganda’s 6-person Grants Management Unit (GMU) under the direction of the Deputy Program Manager. The staff of this unit is responsible for development of handbooks, manuals, donor reporting, teaching and demonstration charts, field visit checklists, and other training materials and for conducting training and monitoring sessions with the extension and management staffs of

¹⁴ The IDEA Project, The APEP Project, Centenary Bank, Standard and Chartered Bank, MBW, the Ssemwanga Centre, Hunger Alert, Foodnet, BUCADEF, CASHFARM, UOSPA, MGA, BUFA, BANGOMA (terminated), IITA, KYAWDA, NALG, CEDO (with components related to SO2), NSARWU, FADEP EU, DETREC, URDT, and REAP.

the grantees. The Grantees, in turn, conduct training and monitoring of progress by the constituent farmer groups, model farmers and other group members who comprise the beneficiary population of the agriculture/nutrition elements of the DAP. This chain of training and frequent reinforcement through site visits – together with supporting activities of partner organizations on supervision of road rehabilitation, weekly radio broadcasts of producer prices for commodities grown by DAP beneficiaries, agronomic research carried out by IITA, training and other advisory services provided (until recently) by the IDEA project and (now) the APEP project, monitoring support to grantees conducted by the Ssemwanga Centre, and two banks offering credit in rural Uganda – constitute the core elements of the agricultural component of the DAP. As such, *the essential strategic element of the agricultural component of the DAP is capacity-building of these grantee and farmer group intermediaries*. Success requires that the grantees and their constituent farmer groups function with increasing effectiveness in providing training and support to farmers who convert these technical assistance, training and other inputs into measurable increases in production, productivity and *net* returns. Understanding the importance of this process – and these relationships – is critical to understanding this program.

Chart 1 below is meant to underscore an issue which the evaluation team believes deserves thought and possible debate: *are the indicators measured and reported on, adequately measuring the impact and results of the more important elements of the DAP program?*

Chart 1: ACDI/VOCA Title II DAP Agriculture Component Programmatic Relationships



As shown in the Agricultural IPPT at Annex C, the performance indicators for which baseline values have been established and are to be tracked throughout the lifetime of the DAP and regularly reported to USAID are agricultural production, yields, crop value, nutrition, and a few others. In virtually all of these categories, external influences – those

outside the span of control of the project – are likely to substantially influence changes in the year-on-year values measured, making it difficult to ascribe these changes to DAP related efforts.

ACDI/VOCA/Uganda, utilizing Ssemwanga Centre field staff, do measure (normally on an annual basis), and report on, a number of indicators relating to changed production, marketing and household nutrition practices. Changes in the effectiveness of DAP approaches to enhance the *capacities* of grantees, farmer groups and individual farmers in ways that are both sustainable and *likely to be sustained* over time are not as fully measured. To do so is different from the relatively straightforward gathering of data on year-on-year changes in practices and requires gathering information on attitudinal changes among participating household members which can be related to DAP inputs, practices, and methodologies. What this would entail, in terms of data-gathering methodology is an increased use of structured, in-depth individual, household and community informed participant interviews. The reasons for undertaking such an effort are: i) to attempt to nail down solid evidence of likely sustainability of desirable behavioral changes among DAP beneficiary households and communities, and ii) to increase understanding of which DAP approaches are most effective in improving the *capacity* of farmers and other beneficiaries to enjoy improved – and enduring - food security.

The evaluation team therefore recommends (*Recommendation No. 2*) that ACDI/VOCA and Ssemwanga, with assistance from its grantees, develop a strengthened set of testable indicators and structured interview techniques that can be used in the remaining life of this DAP to better measure the effectiveness of ACDI/VOCA methodologies for improving the impact of training, technical assistance, inputs from partners, follow-up monitoring, and feedback loops on: i) grantee effectiveness, farmer groups effectiveness and the improved *capacities* of farmers to understand what has to be done to increase productivity and *net* income. Additional resources should be made available for this undertaking.

This effort would look at farmer abilities to allocate factors of production; farmer understanding of the determinants of selecting which crops to grow each year; farmer capabilities in determining when and how best to plant; to reduce input costs; when – and when not – to secure credit; how to improve the average grades of crops produced; how to take advantage of group action to improve net incomes; and – in general – to gain enough sophistication to become a commercially viable farmer or farmer group. In addition, the ability of intermediaries – NGO grantees and farmer groups – to play their roles in the chain of causality depicted in Chart 1.

This general result – denoted as “improved capacities of farmer” on the above schematic – is where *sustainability* is born and where evidence of sustainability needs to be gathered and analyzed. If this process works as it should, the farmer is in a much better position to understand and deal with the “risks” and hazards of those pernicious externalities. The productivity, production, yield, income, asset growth, improved food security outcomes which are the desiderata of the project – and of USAID – will much

more likely be realized by target beneficiaries over the long term, as appropriately measured by sliding averages and compared to control group farmers.

The remainder of the agriculture section reviews performance in the five intermediate results areas identified in the DAP.

The activities carried out in furtherance of the agricultural SO by ACDI/VOCA and its grantees and partners are best presented by disaggregating performance against its five desired intermediate results (IRs).

Intermediate Result 1: Increased access to rural financial services for inputs, production, and marketing

Rural credit in relatively small amounts to farmers, stockists, transporters, and other small-scale operating entities in the rural sectors (e.g., oilseed and maize millers, rural purchasing agents, agriculture implement fabricators) remains one of the most difficult and seemingly intractable problems facing the development of smallholder-based commercialized agriculture in sub-Saharan Africa. The lack of input, production, and post-harvest credit was identified as a constraint in the previous DAPs. To diminish this impediment, ACDI/VOCA entered into partnerships with two lending organizations in Uganda – The Centenary Bank (CB) and Standard and Chartered Bank (S&CB) –in the late 1990s. These relationships have continued as the core elements of the credit component of the 2002-06 DAP. Memoranda of Understanding (MOU) were signed in 2000, under the previous DAP, with each bank, and Uganda shilling grants were made under that DAP to establish a P.L. 480 Commercial Farm Loan Guarantee Fund (CFLGF) in each bank. By September 2001, a total of 540 million US\$ had been committed to the CFLGF at S&CB and 1,000 million US\$ were similarly committed to the CB. In addition, 131 million US\$ were provided to S&CB and 743 million US\$ to the CB to cover the costs administering the rural loan portfolio and, in the case of Centenary Bank, to support administration of a larger number of agricultural loans in remote rural areas.

The original role envisaged for S&CB – a lending institution with little previous experience in rural lending in Uganda – was to initiate their exposure in the sector by making fewer, but larger loans – up to a maximum of 40 million US\$ each – to relatively financially sound rural entities engaged in input distribution, production or marketing of the DAP's core crops: maize, beans, and oilseeds. The average loans size during the previous DAP was between 20 and 25 million US\$. As of September, 2001 S&CB activity under the program stood as follows:

Standard and Chartered Bank Lending Under 1997-2001 ACDI/VOCA Title II DAP

Loans Disbursed	Guarantee on Deposit	Amount Disbursed	Currently Outstanding	Average days in Arrears	Repayment Rate
25	540,000,000	499,000,000	147,167,929	400	70.6%

Source: Murphy, 2003.

In September 2002 a new agreement was signed with S&CB under the auspices of the present DAP. It effectively rolled over funds deposited during the previous DAP and made provisions for a commitment of 225 million Ushs from the 2002-06 DAP for training of S&CB rural loan staff and for portfolio management. As of June 2004, 10 loans had been authorized, valued at 52.4 million Ushs, with 49 million Ushs outstanding as of that date.

The Evaluation Team met with the recently arrived Managing Director and members of S&CB staff and was informed that the bank was planning to play a considerably more active role in rural credit in Uganda than has been the case to date. He noted that new staff with considerable experience in rural lending in Zimbabwe had been assigned the portfolio and that a decision had been made to increase S&CB exposure in rural lending, to identify many more candidates for loans among smallholder farmers, and to greatly increase the number of rural loans made and to reduce the size of average loans accordingly.

Centenary Bank became (due to the demise of the Uganda Cooperative Bank in May 1999) the sole remaining lender to small-scale agriculture in the country in 2000. In 2000, with support from ACDI/VOCA, CB established a Special Loan Window (SLW) for rural agricultural lending to target farmers. The client base was larger and the average loan size was considerably smaller than was the case at S&CB. Since approximately 90 percent of CB loans are made from branch banks to individuals and small enterprises engaged in rural endeavors, the exposure to risk from default is considerably greater than for S&CB. There was, in the previous DAP period considerable difficulty in achieving acceptable (i.e., >95%) repayment rates and claims worth 534 million Ushs were submitted by CB against the ACDI/VOCA guarantee for debt deemed “uncollectible.”¹⁵ An analysis of the causes of this uncomfortably large arrearage by ACDI/VOCA staff determined that lax management in three CB field branches seemed to be associated with much of the problem. Collection of arrearages continues and a significant percentage of these old debts are, in fact, being collected and these monies are being used to replenish the guarantee fund.

Centenary Bank Lending Under 1997-2001 ACDI/VOCA Title II DAP

Loans Disbursed	Guarantee on Deposit	Amount Disbursed	Outstanding as of 13 July 2003	Average days in Arrears	Repayment Rate
913	1,080,000,000	1,618,840,000	534,084,251	500	67%

Source: Murphy, 2003.

The Evaluation Team met with the Credit Manager of Centenary Bank who recounted the history of CB’s rural lending portfolio and indicated that CB continues to desire to increase its capacity to lend to the smallholder sector and is taking steps to improve its capacity to do so.

¹⁵ In part due to drastic decreases in producer prices for maize in 2001 caused by record harvests throughout Eastern Africa. Smallholders did not earn enough to repay seasonal credit in many parts of Uganda.

ACDI/VOCA has been in discussions with both banks in efforts to improve management, the effectiveness of their rural lending operations and the viability of the rural loan portfolio. Initial loan assessments by loan officers are to be made more rigorous and bank staffs involved in rural lending must be more carefully selected and better trained than in the past. Borrowers must be more intensively monitored than in the past and reporting to ACDI/VOCA on arrearages must be done with appropriate regularity.

Over the previous DAP period and in the first year of the present DAP, the USAID-funded IDEA project was a major source of support in providing both training to rural lending staffs of the two banks and ascertaining the suitability of some perspective borrowers. This element in the effort to continue strengthening the rural lending sector is being continued under the APEP project, although the stratum of potential rural borrowers coming to the attention of APEP staff are likely to represent farm households and rural entrepreneurs with greater wealth and assets than is true for the Title II DAP participating beneficiaries.

One approach to increasing the availability of credit to smallholders presently being pursued by ACDI/VOCA staff involves the use of warehouse receipts to collateralize loans to small farmers. In cases where DAP grantees have been able to purchase, rent, or construct warehouses enabling member farmer groups to accumulate maize, beans or other harvested crops, the warehouse receipts received by farmers or groups in exchange for the stored produce can be used as surety on bank lending. This allows farmers to secure needed cash early in the season when producer prices are low and then to later sell the stored produce when markets have cleared early season production and prices have risen. The objective is to earn sufficiently greater returns from having waited to be able to repay the principal and interest and still net a larger profit than would have been the case had the farmer(s) sold at the time of harvest. The Evaluation Team visited two grantees (BUFA and NALG) where this approach is being considered by the members or is soon to be tested.

It is clear to the Evaluation Team that inadequate availability of rural credit is, and will continue to be, a significant impediment for many of the more than 25,000 farming households targeted for participation in the 2002-06 DAP program. Even though both banks presently operating in the rural lending sector have indicated their earnest desire to increase their presence and the effectiveness of their lending efforts in loans to medium- and small-scale rural producers and other entrepreneurs in the sector, such will likely be a lengthy and difficult task – no matter the priority assigned the effort. The warehouse receipt approach looks promising, at least in circumstances where the producer groups are sufficiently advanced to understand the principle and are willing to turn over physical control of their maize, beans, or other crops to the lender until the produce can be sold and the loans repaid. The element of trust which this represents is typically only generated when farmer groups have been in operation for some time and where they were formed initially for reasons other than preparing proposals for support from ACDI/VOCA or other source of financial support.

The present emphasis on increasing the capability of these two banks to provide rural credit to smallholders generally in Uganda, has not necessarily translated into specific improvement in access to credit by the beneficiaries of the 2002-2006 DAP, however much it may have increased rural credit availability, generally. There is, at present, no special effort to insure that individual smallholders, farmer groups or ACDI/VOCA grantees under the DAP have improved access to credit. The credit element of the DAP is not, in fact, tied to the other agricultural components; it is not targeted, necessarily, on DAP beneficiaries affiliated with the principal agriculture production grantees. As there are no existing records of the affiliation of small scale rural borrowers to any of the DAP grantees, the loans made to date by the two banks may or may not have been made to DAP beneficiaries participating in other elements of the agricultural component of the DAP.

While a limited set of data is gathered on the percentage of beneficiary farmers securing credit, no data are presently gathered on whether the DAP's participating farmers, or the groups to which they belong, are finding greater opportunity to secure ACDI/VOCA DAP-financed credit, or are taking advantage of greater credit availability where it exists. Certainly, most of the agricultural loans made available to date under DAP auspices by Standard and Chartered Bank have gone to farmers and rural entrepreneurs who have larger farms or enterprises than do the smallholders being targeted by the remaining agricultural elements of the ACDI/VOCA DAP. In the case of Centenary Bank, the total number of loans made to date during the 2002-04 period - no more than a few hundred, perhaps less - are relatively insignificant compared to the approximately 25,000 farmer households identified by the eight agricultural production grantees as participants in their DAP-supported input-production-marketing efforts.

The Evaluation Team recommends (*Recommendation No. 3*) that, at a minimum, ACDI/VOCA commission the gathering of information from a statistically appropriate sample of program beneficiaries regarding changes over the life of the 2002-06 DAP in the amounts and types of rural credit they have received in order to determine whether, and to what extent, their access to credit may have improved as a result of the DAP-financed credit component. This exercise should result in the development of progress indicators enabling the tracking of credit availability, the source, number, terms, and average size of loans to participating farmers, the average time for repayment, and the percentage of loans received which have not been repaid on time.

The Team is concerned that the positive impact of the credit component of the program, if any, may be too diffused across rural Uganda and be of such relatively small magnitude as to not have made a discernible impact on credit available to – or the production, or productivity of – the 120,000+ primary beneficiaries of the DAP. The findings of such a survey should be presented in a form that can be used to improve the access to DAP-financed credit by targeted participating rural households in a follow-on program, if any. The Evaluation Team further recommends (*Recommendation No. 4*) that efforts now underway to pilot or test the use of warehouse receipts as collateral for agricultural loans to project beneficiaries be carefully monitored and documented in order to provide

material for a case study with lessons – positive and negative – to guide future small farm lending in Uganda and elsewhere.

Finally, the Team recommends (*Recommendation No. 5*) that if credit forms a component of any follow-on DAP, such credit should be made available as a matter of priority to those groups of farmers participating in the DAP which have been identified as having made good progress in increasing the amount and quality of their combined agricultural production and demonstrating other evidence (e.g., grouped collection and storage of maize, beans, oilseeds or other supported crops; evidence of improved farming practices, decreased post-harvest losses; group purchasing of inputs, and experience with group-based, organized savings programs; etc.) of successfully absorbing and utilizing “Farming as a Business” principles. During the remaining two years of the present DAP, field staff of the two banks and grantee managers should begin working together regularly to identify credit-worthy groups or individual farmers.

Based on experience in evaluating smallholder projects in other areas of the world, the Evaluation Team suggests that as much attention as possible be paid to increasing farmer savings rates – particularly when voluntary savings programs can be made a part of the development proposal formulated by group members themselves. Widespread experience elsewhere, seems to demonstrate that groups utilizing one or another form of regularized, group-based savings tend to manage debt better than those with less or no history in mobilizing member savings. In cases where a producer group or association has been able to generate a substantial cash position, and where they have become reasonably sophisticated in calculating costs and likely returns, they are better able to make informed judgments regarding the net returns likely to be achieved when the costs of securing credit are included in the calculations. In the TechnoServe experience in Ghana, for example, some farmer associations have advanced to the point where they can finance a large percentage of their credit needs from their own accumulated capital – providing them the opportunity not to resort to borrowing if the likely costs of doing so exceeds likely returns to that credit. Centenary Bank has a new proposal pending with ACDI/VOCA that will promote savings packages among farmer groups and implement inventory credit via warehouse receipts and formation/management of rotating savings schemes.

Finally, it is also important with regard to credit not to lose sight of what one knowledgeable interviewee expressed to the evaluation team: ACDI/VOCA deserve a very great deal of credit for being instrumental in reviving rural credit in Uganda. Had ACDI/VOCA-Uganda leadership not been willing to use DAP funds to guarantee such loans at a time when smallholder lending has all but disappeared and when there was only one bank – Centenary – willing to lend in a few select locations, there would have been no experience with lending these past seven years, no bank staff trained and no viable bank branches in a number of Ugandan rural centers. Those guarantees were essential, according to the interviewee, in preventing credit from drying up entirely. Now, it appears that Standard and Chartered are planning a substantial increase in lending and, so this informant believes, is a third bank – Stanbic – which is apparently soon to start its own rural lending program.

Intermediate Result 2: Increased Agricultural Productivity of Target Crops

The DAP proposes to enhance the productivity, production, and earnings of participating farming households by focusing on building the capacities of local grantee NGOs, agriculture research organizations and other technical partners providing technical assistance, training and other forms of production-enhancing support to farmers and farmer groups. At its heart, the production-oriented component of the DAP is, to a very considerable degree, a two-or-three stage capacity-building endeavor. Starting with training and support of intermediaries (the DAP *grantees* and their constituent farmers *groups*) the program then – via these intermediaries – focuses on raising the competencies of participating farmers to grow and sell more; to increase returns to their factors of production; and, as result to increase secure, sustainable – over the long term – access to nutritionally adequate foodstuffs (and other basic needs). While increased productivity is the ultimate result; strengthened intermediate organizations, and enhanced local institutions are the means to those measurably improved ultimate results in production/productivity. While these latter results are identified for monitoring and reporting, there is (as noted in the discussion of Chart 1 earlier) insufficient monitoring and reporting of success – or the lack of it – in the intermediate, capacity-building stages. Simply reporting on changes in yields and total production of the identified crops leaves unaddressed the assessment of how well the capacity building and institutional strengthening elements of the DAP have performed and how sustainable these efforts are likely to be. This, as noted, could be construed as a design flaw in that the principal theoretical approach of the program is left untested, un-assessed. For this or any other evaluation to answer the basic question “how well are we doing?” there must exist a means for measuring the efficacy of the *processes* employed to achieve desired final results. How well are the grantees learning the methods being taught them? How effectively are their staffs utilizing new and better approaches in their efforts supporting their constituent groups? How much better are these groups able to offer rewarding advice, support and assistance to their members? A system for measuring performance by ACIDI/VOCA and these intermediaries in imparting appropriate and financially remunerative advice and counsel to the final 120,000 beneficiaries is needed.

Therefore, a principal finding of this MTE is that while the ACIDI/VOCA DAP is, by intent and design, very much a capacity-building and institution-strengthening program aimed at improving the capabilities of grantees and constituent farmer groups to deliver training, agronomic advice inputs, marketing support and other assistance to the individual farmers, the indicators used to measure progress do not, with one possible exception (“percentage of farmer groups adopting commercial practices”) measure increases in the skills, organizational structure, capacities, and sustainability of these essential intermediaries. The majority of results indicators selected for inclusion in the Indicator Performance Tracking Table (IPTT) at Annex C (and most of the indicator data collected by Ssemwanga Centre and reported in their annual “impact surveys) report on changes in outputs which are assumed to relate in some causative fashion to activities undertaken within the DAP program. These include:

- changes in annual production under program auspices of grain, beans, cassava, oilseeds
- changes in annual yields of these same crops
- total value of production sold of these same crops
- number of households demonstrating “improved practices”
- dietary diversity
- percent of <two year old children who are malnourished
- percent of beneficiaries who are female
- changes in vehicle traffic on roads rehabilitated by the program
- changes in numbers of shops/mills/businesses along these roads
- kilometers of roads rehabilitated
- performing loans as a percentage of total rural loans made under DAP auspices
- percentage of NGOs/farmer groups adopting commercial practices

While undoubtedly important to track many of these indicators – because changes in these values are important to the lives and livelihoods of farming target beneficiaries – the relationship of many of these changes in indicator values to the inputs and activities provided or generated at prior intervals by the DAP are neither direct nor clear; nor is it readily apparent that they are all significant, representative, or enduring. Take total production or crop yield data, for example. Variables exogenous to the program are probably as, or more, likely to account for substantial shares of the increases or decreases – rainfall being only the most obvious. The year in which a baseline is conducted is significant. A baseline undertaken in a year in which rainfall is unusually poor greatly increases the likelihood that program beneficiaries will be found to have larger per household production and greater per acre yields in the later years of the program, no matter how facilitative (or not) were the program’s inputs and activities.

Further, even in a year where participating farmers may have greatly increased yields and production, if all other farmers throughout the country or region have done likewise, the result may be virtually as catastrophic for project beneficiaries as a year of drought. Farmers interviewed for this report during the Team’s MTE field trips refer to 2001 as “that terrible year” not because production or yields were poor but because they were so very good – all through Eastern Africa. As a result farmgate prices for maize hit record lows and smallholder farmers who had borrowed heavily for the inputs contributing to this bumper harvest found they were unable to repay. This, as it turns out, was a major causative factor in the large number of small rural loan defaults in the DAP programs with Standard & Chartered Bank and Centenary Bank in the last year of the prior DAP, and the subsequent drawing down of the DAP loan guarantees – a setback to the credit element of the previous ACDI/VOCA DAP which is still reverberating in many ways – more than halfway through the present DAP period. In sum, the appearance of success –

or failure – in annual crop production or yield data says very little about how well the program is achieving its capacity-building and institutional strengthening objectives.¹⁶

The point in all this is that intermediate results indicators must, to a very great extent reflect changes in conditions that are largely within the span of control of the agents supported by the DAP – ACDI/VOCA-Uganda, its grantees, their farmer groups and the participating farming households. Have capacities been enhanced? Can grantees or farmer groups deliver inputs at lower costs to their member farmers than neighboring farmers can command? Have improved agronomic practices permanently replaced less productive traditional practices or are the data showing a temporary change? Is there a long-term trend (not just year-on-year, or cyclical, changes) in average *net* incomes of members of some of the groups? If there are variations in net income growth among several groups – or between one grantee and another – can the monitoring organization develop plausible hypotheses to account for these differences?

In its present form, the principal 2002-06 DAP IPPT (See Annex C) is not, in the view of the Evaluation Team, a particularly useful tool for determining how well ACDI/VOCA and its partners, grantees, groups and beneficiaries are accomplishing the overall objective(s) of the program. Changes – positive and negative – in those values may or may not indicate that the ACDI/VOCA DAP is doing a good job in making progress toward its primary general objective. Recommendation No. 2 (made earlier) proposed that a set of new intermediate result indicators be developed to augment the set now in use. These added indicators should measure changes in capabilities and capacities by program intermediary organizations by gathering additional data on farmer perceptions of the utility of intermediary farmer groups and NGO grantees in delivering information, techniques, and resources that enable these farm households to improve their food security status, household income and health and nutrition. From the experience adding analysis of capacity-building and institutional strengthening in the remaining two years of the present DAP similar indicators should also be developed for any follow-on DAP focused on capacity-building and institutional strengthening of intermediary organizations and beneficiary smallholder farmers.

Later in this Report a related recommendation is made pertaining to gathering of data on household expenditure data in lieu of efforts to gather information on changes in annual income.

The overall theme for the production component of the DAP is to increase the capability of smallholders to operate their farms as businesses; to think and make decisions as business decisions. Nine grantee farmer groups (called “producer organizations” in the monitoring reporting conducted for ACDI/VOCA by The Ssemwanga Centre) have actively engaged in efforts to increase the business acumen of their participating farmers. Grantee extension staff was trained by ACDI/VOCA in the precepts of Farming as a Business (FaaB) and trained staff, in turn, provided similar training to their respective farmer members. Farmers have been taught to develop work schedules, use projected

¹⁶ A long term downward trend in these data, however, especially one built on 4 or 5 year moving averages, would be a very important signal that something was not working.

income statements, maintain crop records and to undertake cash analysis. Through October, 2003 the percentage of farmers making use of such records had increased from 17 percent in the baseline to 55 percent. How well “internalized” these messages are and whether these farmers are benefiting from their use are two areas that should be included in the recommended indicator monitoring.

Intermediate Result 3: Increased Adoption of Improved Agricultural Practices and Inputs

The teaching of improved, more appropriate agronomic practices has been at the center of efforts to increase farmer production and productivity. Improved seeds have been made available through the grantees and large numbers of participating farmers have been taught to plant in rows rather than by their traditional seed broadcasting techniques. Model farmers and demonstration plots have been employed by grantee extension staff as a means of increasing the spread effect of the extension messages. There is increasing emphasis on the message that farmers can improve their net returns by working together in groups as a means of reducing input costs and bulking production for reducing marketing costs. In addition, efforts have been made to teach farmers how to improve the quality and uniformity of production as a means of increasing per unit returns.

There continues to be – as was the case in the two previous DAPs – a strong emphasis on improving the amount and quality of the crops targeted under this DAP which are produced by beneficiary households. Annual production targets for each crop have been established and seasonal and annual surveys have been conducted to gather information on changes in area planted, yields per acre, per farm production, and gross income against baseline values and other data needed to satisfy progress reporting requirements.¹⁷ The utility of some of these indicators as measures of the success of the DAP program is discussed elsewhere, but the information they impart is nonetheless useful for a number of purposes, however inaccurately they may portray successes or the lack of success in improving capacities of farmers or intermediaries. A few essential messages have been emphasized in the training, demonstration plots and model farmer follow-ups. Project-financed trainers, extension staff, and model farmers have focused their messages on: planting in rows; use of high-yielding, disease resistant seeds; weeding; appropriate top dressing; and better post-harvest drying and storage techniques, particularly for maize and beans. There has been considerable attention devoted to teaching farmers to produce high and more uniform grades of maize and beans so as to command higher prices. Several of the grantees and numerous producer groups have been helped to find or construct adequate shared storage, when appropriate, in order to better time the sale of what have become commercially attractive stocks capable of commanding higher prices from buyers, or capable of being shipped in larger quantities to buyers in urban markets elsewhere, where they will command prices sufficiently higher to more than offset the costs of moving them to those more distant locations.

Applying the case for improved indicators to this component of the project: the types of indicators that might provide more useful information to DAP managers might be

¹⁷ See IPPT at Annex C.

changes in the ratio of a farmer group's maize or beans sales that were within 5 km of the group's location to the amount of these commodities sold in more distant markets at a more remunerative per unit price, net of the transport costs. Another useful indicator would be the percentage of a commodity commanding a premium price because of uniformity or higher average grade of the commodity offered buyers. This is distinct from receiving high prices simply because market prices for a particular grade were higher than in the previous season or year. In this latter case the DAP program might not be able to claim legitimate responsibility for the increase (non-program members would be receiving exactly the same price for their products). In the former case, however, where prices were higher because the uniformity of the product offer for sale, or the average grade, were higher, the program could more assuredly associate itself with the increased return to the farmer. The data could be derived from individual member and from farmer groups' records which were more regularly and more professionally maintained as a result of training provided under the program's auspices.

One very useful aspect of quarterly and annual monitoring results reporting being provided to the ACDI/VOCA team and compiled by the Ssemwanga Centre from the quarterly reports, are the general commentary sections. These short narratives provide important context to the numerical presentations and draw attention to analytical points that might be lost in the numbers themselves. For example, it is important to know that a lower yielding bean variety continues to be grown in a location in spite of economically sound agronomic advice to move to a newer, higher yielding variety, and even though returns would be greater if they changed varieties. Why this "non-economic" behavior in respect to abandoning one bean variety for a presumably better one? Farmers prefer the taste, texture, or briefer cooking time of the former.¹⁸ These vignettes serve to remind the development economist that not all human behavior is determined by economic self-interest. These reports, taken together, portray growth in individual farmer commercialization that is proceeding somewhat more quickly than the growth of farmer groups and associations as commercial enterprises. The picture of farmer groups emerging from this reporting is one of hesitant growth among many and more rapid, more assured growth among a few. This leads to a brief discussion of the fundamentals of "sustainability" in smallholder-focused development programs in sub-Saharan Africa and the importance of intermediary groups in the determination of that dimension.

Successes that can be sustained after a development project ends is an oft-expressed objective of such projects. The issue of what, exactly, is to be sustained is sometimes less than clear, however. Is it a rate of progress; a level of output of production; a state of well-being; a concept learned and continuing to put into practice? In a project such as the ACDI/VOCA Title II DAP for 2002-06, a persuasive case can be made that what is to be sustained is a capacity to motivate beneficiaries to exchange tradition-directed "institutions" i.e., ways of doing things or effectuating decisions¹⁹ for new ways that lead out of chronic poverty and food insecurity. The organizations that create and perpetuate the growth in such capacities in the ACDI/VOCA DAP are, in theory, the grantee NGOs

¹⁸ Ssemwanga Centre, 2003a. p.4.

¹⁹ See any of the major writings of Nobel-laureate economist Douglass North for discussion of this definition of "institution."

and farmer groups being supported under the DAP. To the extent they are able to continue providing useful support to their constituent groups and farmers – enabling them to grow and prosper after the ACDI/VOCA support has ended – a case for the existence of appropriate sustainability can be made. The process of strengthening and enabling the grantees to perform their training, monitoring and reinforcing of “lessons learned” functions with their farmer groups through good seasons and bad is well underway in this, the third year of the DAP. It is a process, however, that cannot be completed in a five year period. As the reporting indicates, the farmer groups are, for the most part, not yet to a stage where their commercial endeavors are beyond the early stages of coalescing into reasonably assured returns to members. Work on production quality, on post-harvest on-farm procedures and, most especially, on improved marketing requires the involvement of ACDI/VOCA and its grantees for several more seasons. This leads directly to a discussion of performance under IR4.

Intermediate Result 4: Increased Local and Regional Market Access

There are several elements at work in this component of the ACDI/VOCA DAP. First are the efforts to improve post-harvest storage techniques, the collection of individual farmer produce into shared, secure storage, efforts to enable farmers to wait to sell in order to secure higher prices, an emphasis on improving the uniformity in quality of harvested crops, DAP financial support for the IITA/FOODNET radio broadcasting of producer and market prices in 18 market areas around Uganda, farm-to market and rural connector road rehabilitation to open markets, and research in improving seeds, disease resistance in key crops and efforts to move farmers into crops that are new for them, which offer greater returns than those farmers in particular areas have traditionally grown. Of these, the FOODNET effort has clearly been the most successful.

The road rehabilitation program, particularly in the north, and in key locations in the west, is having a visible impact on the growth of commercial activities along the rehabilitated roads. An evaluation team visit to DAP road rehabilitation activity in Kibaale noted that a market center that had been long abandoned, as the road itself had deteriorated into a potholed track, was being rapidly rebuilt as commerce was once again coming its way. Farmers interviewed were quite pleased that they could again sell their products in the area’s largest commercial center – Hoima town – some 80 km distant.

There is little argument regarding the importance of good rural roads to marketing success. If they are not rehabilitated, there is little hope for the success of rural development in what are – without these roads – nearly impossible-to-reach areas. The issue is, however, and it is a big one: rehabilitation is relatively expensive, these roads are subject to deterioration from day one after they are opened; continuing, unrelenting maintenance is absolutely vital and there is normally a lack of equipment, skilled manpower and/or budget to undertake all the maintenance that is needed. Gradually, inexorably, they deteriorate again. The weak link in rural Uganda has traditionally²⁰ been

²⁰ One of the evaluation team members was a young USAID officer in Uganda in the late 1960s. The rural roads problem then was – as now – the lack of sustained maintenance.

that local government authorities lack sufficient equipment and sufficient recurrent budget to keep the works gangs operational, and/or the lack of essential spare parts. If there were an easy answer to this conundrum, it would have been put into play long ago. The options, at this point appear to be:

- Undertake rehabilitation only where there is reasonable assurance of priority attention to maintenance.
- Have districts change the designation of community roads to feeder road status to gain access to central government maintenance budgets (on the assumption they have sufficient funds).
- Work with other donors in attempts to get longer-term budgetary support for district or other local government authorities specifically for maintenance.
- Involve local groups of farmers to do as much of the required drainage clearance and lateral ditch repair as they can. Supply them with basic hand tools and wheelbarrows.
- Resign to rehabilitating key roads every 5-7 years.

The evaluation team has no recommendation to make regarding this intractable and well-known problem. It is a policy issue.

There is still a long way to go on the marketing and access component for beneficiary farmers. In the view of the evaluation team, it is unrealistic to expect a great deal of progress – save for a few extremely motivated farmers and one or two particularly well-led groups²¹ – on this, the most difficult component of the program. Much of the capacity-building discussed earlier has to occur first, and there needs to be a varied experience – covering several seasons of bad as well as good years – before truly commercial, resilient, and sustainable smallholder enterprises can emerge. In this regard, the evaluation team recommends (*Recommendation No. 6*) that ACDI/VOCA, as it develops thinking for a 2007-2011 follow-on, consider development of a large number of smallholder, group-focused, crop-specific marketing associations as the primary objective. In effect, the next DAP activity would aim to “graduate” groups from “basic training” in the principles of crop marketing into more advanced, ever-more-effective approaches looking at foreign markets, niche markets, and new possibilities for smallholder production. Groups would combine to sell their increasingly top quality products in these markets. The links with APEP would be strengthened and some groups and associations would in effect be transferred, or graduate, into the more sophisticated APEP-supported crop marketing program.

Intermediate Result 5: Improved Nutritional Practices at the Household Level

The nutrition element of the agricultural component of the DAP is supervised by the ACDI/VOCA Program Nutritionist. She has been responsible for the development of a

²¹ NALG, a farmer group in Iganga District (see map at Annex G) visited by the evaluation team had on its own developed a successful maize marketing endeavor in neighboring Kenya. The vast majority of the farmer groups assisted under the DAP have yet to reach this stage, however.

training manual and other material, and for conducting nutrition-related training of grantee extension staff in the basic precepts of improved nutrition as a means of addressing the food security objective of the program. The objective is to improve the nutritional status of child-bearing women and of infants and small children by improving nutritional practices at the household level. The focus is on increasing the numbers of foods consumed daily in beneficiary households as a means of increasing the intake of appropriately nutritious foods, including those containing needed micronutrients – particularly for these pregnant or lactating women and infants and small children. To improve macronutrient intake, this element of the DAP program emphasizes vegetable gardening and poultry-keeping and also encourages increased frequency of feeding of infants and young children. Data from the 2003 IPPT suggest that, among surveyed households, the average number of different foods consumed by households had increased from the baseline (FY 2002) dietary diversity score of 4.3 to an FY 2003 level of 6.4. This seems to be the result, in part, of the focus on – and apparent wide-spread acceptance of – the importance of starting and maintaining household vegetable gardens as a matter of priority. The numbers of vegetables and fruits being introduced into the diet of surveyed households seems to be associated with the existence of these gardens. During the Evaluation Team’s field visits these gardens were apparent in all communities and individual farms visited.

The stunting rate – under fives who are minus two standard deviations from the median value of the reference population in terms of height for age – is strangely high throughout Uganda. This is normally a strong signal of the existence of serious food insecurity²² at the household level. Regularly, more than one-third of all children in the country are found in surveys to fall into the stunted category. This is a troubling figure in a country where availability of adequate food in the household would seem to be more assured than in other Eastern and Southern African countries which have only a single crop season and a larger proportion of agricultural lands in low-rainfall (<800mm/yr) areas. Stunting is indicative of some combination of chronic or episodic nutrient deprivation during the first 36-48 months of life and health issues serving to prevent appropriate absorption of ingested nutrients in these infants and young children. The actual reasons for high rates of stunting in Uganda are still a mystery. In the baseline survey, 39 percent of under-fives were found to fall into the stunted cohort. The 2003 survey found the figure to have apparently dropped slightly to 35 percent.²³ The number of under-fives who were underweight dropped significantly from 25 percent in the baseline to 13 percent in the 2003 survey. This result is often found in populations returning to acceptable levels of caloric consumption after a significant period of under-consumption. The reason for the relatively high 25 percent figure for significantly underweight²⁴ children in the base period is not well understood. The likelihood that the ACDI/VOCA DAP program was a major cause of this reduction is unknown and probably not ascertainable.

²² Using the definition of food security in the P.L. 480 Title II legislation: “access by all people at all times to sufficient food and nutrition for a healthy and productive life.”

²³ Although there is a statistical possibility that this may not be a significant difference.

²⁴ i.e., -2Z below median value for the reference population.

The Evaluation Team recommends (*Recommendation No. 7*) that ACDI/VOCA consider commissioning, during the remaining two years of the program, two types of surveys in agricultural areas served by program grantee NGOs. First, as discussed with the Program Nutritionist, infants and young children from the time of weaning to about age three are the most important to track and attempt to assist, when demonstrating evidence of stunting. Between those ages, stunting is reversible with appropriate post-weaning nutrient intake and attention at the household to issues of health, clean water, and sanitation. A child stunted beyond age 36 to 40 months is likely to be a child stunted for life. It is critically important to attempt to remove the causes of stunting as early in life as possible. Therefore special attention ought to be devoted to trying to identify stunted children in the >36 months cohort in participating program farming households and to focus on training their caregivers to provide appropriate nutrition and preventative health and sanitation practices.

The second survey proposed in this recommendation is one in which ACDI/VOCA staff, working with Ssemwanga Centre and others, determine the composition and the Ush cost of a basket of food representing the lowest cost combination of foods available in each surveyed local market in program areas that would provide all the necessary sources and amounts of macro and micronutrients for nutritionally adequate daily consumption for a representative adult person. Once determined, simple monthly surveys in selected markets should be commissioned (using local, trained enumerators to collect and transmit this price data – a task of approximately an hour per month per market). Over the remainder of this DAP lifetime and, particularly, during any subsequent follow-on, changes in the cost of this basket of available local foods should be monitored for use, eventually, in comparison with household expenditure data (which a later recommendation will discuss). This will help in building a case that food security improvements in project areas can be tracked as a function of the intersection of increasing household expenditure levels (as a proxy for income) and known costs of nutritionally adequate foods in local markets. This would also allow better costing of self-production (i.e., for self-consumption) of foods at the household level – an essential need for quantifying what is consumed and the relative cost of that consumption – whether purchased locally or self-produced, or both. Armed with such information on a continuing basis, ACDI/VOCA (and USAID/Uganda) will eventually find themselves in a better position to build an evidentiary basis for assertions of the effects on household food security of the ACDI/VOCA DAP program.

Other DAP Issues Relating to the Agriculture Component

In addition to specific findings, issues and recommendations made to this point, there are a few more general points still to be made in this Section. These deal, primarily, with the actual and anticipated impact of the ACDI/VOCA DAP on the food security status of its target beneficiaries, i.e., with the overall objective of the DAP.

The first observation – and one that can be made for virtually all of the 80+ Title II DAPs presently operating around the world – is that the term “food security” is not well defined in the context of the situation being addressed by the particular DAP. The levels and causality of food insecurity among targeted beneficiaries are not articulated and hypotheses (“assumptions”) about the likely magnitude and timing of impact of the DAPs activities on household food security status are not tested.

What does this mean and how can it be corrected?

It means that it is possible to accomplish all of the objectives of a given DAP program and still not have the desired impact in reducing food insecurity. Why? Because the assumptions about the impact of achieving particular output targets on food security may be incorrect, stemming from the reality that the relationships or links between identified outcomes, on the one hand, and the major causes of food insecurity among beneficiaries, on the other hand, were not well understood. As a result the outputs of the program may not be generating the desired food security effects.

In the early days of food security efforts in the 1970s and 1980s, it was hypothesized, or assumed, that the primary problem facing food insecure countries was inadequate availability of food at the national level. This assumption was not put to the test for a very long time. It was not until the late 1980s, in fact, when work undertaken by economist Amartya Sen at Oxford, Shlomo Reutlinger and Jack van Holst Pellekaan at the World Bank, and Barbara Huddleston and others at FAO²⁵ led to the conclusion that food availability is not, except in crisis situations, the essential food insecurity problem. Rather, they concluded, it is varying combinations of availability, access by individuals to adequate food, and knowledge about proper utilization and consumption – taken together – that must be addressed to achieve an improved, on-going, food security status at the individual and household level. “Food systems” must operate in ways that create assurances these improvements can be sustained in the long term.

For example, as noted earlier, both chronic undernutrition and poor health in children and pregnant and lactating women combine to cause individuals to experience a state defined as food insecurity. If the actual primary cause of apparent food insecurity is, in fact, intestinal parasites and/or bacteria from unprotected water sources or a hygienically compromised environment interfering with absorption of ingested foods among substantial numbers of mothers and children, a project aimed at increasing access to food

²⁵ References can be supplied if requested.

is not the right answer and will not improve the food security status of that group. Yet, all too often, there are assumptions in most DAPs²⁶ that by reducing the price of food in the market, or by increasing household income, or by feeding children in primary school, or by teaching farmers how to become more productive, improved food security will result. All too often the assumption made in DAPs about the results likely to be achieved from DAP activities and their relation to food security outcomes are not based on evidence proving beyond reasonable doubt that the appropriate causes of food insecurity have, in fact, been identified correctly and that the remedies proposed in DAP are, in that context, the right remedies.

Chris Barrett²⁷ at Cornell University and others have suggested that in the long-run there are three objectives that have been proven essential to a food security strategy: i) stable employment and high labor productivity required for a sufficient, relatively sure source of income (with self-production counted as income) among the otherwise food insecure poor; ii) access to credit, markets, and adequate food storage to smooth consumption in the face of shocks, and iii) safety nets to provide transfers for those suffering calamitous shortfalls. To achieve a state of food security all three must exist, function adequately, and be sustainable.²⁸

Another element of the problem of the nature of “food security” is that both the words “food” and “security” are there for a reason. Too often development professionals focus only on the first. A food security-focused program must deal with all the following questions – for both food and security:

Food:

- Is there sufficient nutritionally appropriate food available nearby?
- Does the household have the means to acquire it?
- Do all members of the household consume & metabolize what they need?

Security:

- Is there reasonable assurance that appropriate food can be acquired whenever needed (i.e., most of the time)?
- Can combined self-production and purchases normally satisfy household demand?
- Does the household usually have sufficient assets to enable production or exchanges for food? Is the process of asset accumulation reasonably assured?
- Do household members regard themselves as “food secure” most of the time?

In truth, little that can be verified by solid evidence is known about the nature, extent, and causality of food insecurity in Uganda, or among the beneficiaries targeted by this DAP. The afore-mentioned high stunting rates may indicate a high level of food insecurity – as, too, would evidence of poor agricultural productivity, low average household incomes in

²⁶ The Evaluation Team has reviewed more than 50 DAPs over the past three years.

²⁷ Barrett, 2002.

²⁸ This discussion is summarized from Riley, 2004.

both rural and urban areas and widespread and serious health problems, especially HIV/AIDS. On the other hand, these high stunting rates may have everything to do with parasites, including malaria, or other health issues and an agriculture-led strategy is unneeded, if improved food security is the objective. The extent and causality of food security were not fully investigated as a precursor to this DAP, or to any of the several other Title II DAPs operating in Uganda. All have assumed the existence of a food security problem in Uganda and have further assumed that agriculture production-led strategies to increase household income are the answer. There is, in fact, a widely accepted “unofficial” view among many “Africa hands” in the development community generally that Uganda’s food security problems (to the extent they exist) are far less severe, because of its relatively good factor endowment for agriculture and high agricultural potential, than in other countries in the region. USAID’s former “Greater Horn of Africa” strategy even proposed Uganda as part of a regional solution for widespread food security in the countries of the region because of its abundant food export potential.²⁹

It may seem difficult to decipher the truth about the food security situation in Uganda from all this. And it is. The analysis identifying the actual extent, nature and – above all – the causality of food insecurity in Uganda is yet to be done in a professionally adequate manner.³⁰ However, using signals from nutritional and poverty data that *may* indicate the existence of food insecurity in Uganda, USAID/Uganda, ACDI/VOCA, and the other U.S. NGOs with DAP programs in Uganda have made the case that it *does* exist in Uganda, and, in their multi-year strategies they have determined that improving household food security in Uganda is an appropriate goal for U.S.-financed development programs in Uganda for the next several years. It may be so; but it has not yet been proven to be so. Therefore, the evaluation team recommends (*Recommendation No. 8*) that USAID/Uganda – if it desires to continue to focus some of its resources – including Title II food aid – to effectuate food security outcomes – commission a study to determine the nature and extent of actual food insecurity in Uganda, its principal causes, what is presently being done by all donors to attenuate those causes, what is left undone, and whether its present strategy and those of its DAP partners are appropriately aimed at the right targets within the context of this clarified picture of the problem. The study should be clear regarding the definition of the condition of “food security” used and equally clear about the hypotheses linking SO “results” to likely magnitudes and directions of changes in food security status likely to occur. The Barrett “thesis” referred to briefly above would be a good starting point for analysis.

The evaluation team is aware of, although not fully briefed about, the “MEMS Special Study on Household Income” now underway under the supervision of Management Systems International (MSI). The team is further generally aware of the USAID contract with the International Food Policy Research Institute (IFPRI) to supervise the collection of data and the analysis of changes in production, income and other indicators related to progress under APEP and other USAID-supported activities. In this context, the team

²⁹ Suggesting a return to the “lack of availability” theory on the 1970s and 1980s.

³⁰ Just because, a statistically appropriate analysis has not been undertaken, however, does not support the contrary case – that food insecurity does not exist in Uganda.

would like to make the case that, for the ACDI/VOCA DAP program, APEP, and other programs aimed at supporting or speeding agriculture-led growth as a primary means of increasing household income, and improved food, nutrition, and livelihood security among the rural population of Uganda, it may well be that it is the pattern of rural household purchases rather than changes in household income that is the essential data for analysis.

Agriculture economist, John Mellor and others³¹ have long argued that the essential element of agriculture-led growth of the type that reduces poverty and raises incomes widely in rural areas is increasing rural purchasing power resulting from the growth in production, productivity, and disposable incomes of the more adept of the smallholder and medium-sized farmers. He and his colleagues argue that the pattern of their expenditures – particularly expenditures on local “non-tradables” is *the* essential element creating, and establishing the pace of, agriculture-led growth. Their analysis of the determinants of agriculture-led growth in India, Egypt, Indonesia and elsewhere is compelling and the methodology has thus far stood up to rigorous examination by peer reviewers. The importance of this on-going research is that it raises the question: Is the ACDI/VOCA DAP creating, or capable of creating in the future, these second round effects? If so, should there not be a way to monitor them – if not in the present DAP, certainly in the next? The answer is yes.

Analysis of strengthening smallholder purchasing power or *demand* is probably a more useful concept than a focus on increasing smallholder *income*. Income, per se, is passive. It can be spent for consumption items, wealth assets (that can become virtually useless), or for assets that increase productivity (e.g., nutritious foods rather than beer; productive assets such as traction animals, assets of stored (and therefore “tradable”) value such as jewelry, or for designer label clothing or the attention of non-family cohorts. If the pattern of expenditures is to enhance productivity, production, local agricultural growth and eventually economic growth, the structure of that demand will have to include, among other things, demand for:

- Services,
- skills-enhancing training,
- accumulating productive inputs,
- credit (and its repayment), and, of course,
- significant amounts of local non-tradables (e.g., locally-produced goods and services from the surrounding areas of DAP or APEP activities and their project participants/primary beneficiaries).

“Increased income” viewed as a DAP or APEP objective or goal misses the point that it is how that income translates, in economic terms, to demand for other elements of the rural economy – especially those elements of demand that are the key elements for monitoring – if the DAP’s contribution to agricultural and economic growth, and eventually to

³¹ Numerous citations available upon request.

poverty reduction and sustained improvement in household food security are to be correctly measured.

Thus, in sum, it is “effective demand” in the form of “purchasing power” rather than “income” that converts ACDI/VOCA DAP, APEP and other projects’ accomplishments into progress toward the goal. Monitoring and analyzing the structure of the incremental effective demand generated by the income and employment effects of the APEP project are substantially more important than simply monitoring the levels of incremental employment and demand of APEP direct participants. USAID should be appraised of this view and its permission sought to adjust the project’s goal accordingly. Progress or results indicators, and appropriate monitoring and analyses methodologies, should be selected to reflect the structure of demand as the essential domain for analysis and reporting.

The evaluation recommends (*Recommendation No. 9*) that USAID consider the importance of gathering and analyzing data on rural “effective demand” or purchasing power as preferable to a focus on rural household “income” for the reasons stated above. The ACDI/VOCA DAP, APEP, and other USAID-financed activities intent upon speeding the process of agriculture-led growth as a means of improving individual well-being, food security and for moving significant numbers of rural Ugandans out of poverty would benefit considerably from this change in focus and analysis.

As a corollary to the above, and with further reference to the work of Mellor, *et al.*, the most important impact of what is accomplished under the ACDI/VOCA 2002-06 DAP may not be improved capabilities, outputs, and incomes of the program’s 25,000+ farm families. If the Mellor agriculture-led growth thesis works in Uganda as it apparently has in India, Indonesia, Egypt, and elsewhere, the most important impact will be on second- and third-round “indirect” beneficiaries who see demand for the goods or services they offer in economic or factor markets increase as a result of the improved *purchasing power* of the DAP’s direct beneficiaries. While traveling in Kibaale District, an Evaluation Team member and other ACDI/VOCA staff visited the farm of Janice Niwomugabe, a beneficiary of the BUFA project.³² She reported that, primarily as a result of support and training she had received under BUFA during the previous two seasons she had earned enough income to buy additional farmland, increasing the size of her total holdings from 6 to 20 acres. She was planting several crops – mostly maize, but also beans, millet, groundnuts, even some vanilla – plus her vegetable garden, several fruit trees, goats and chickens. She was maintaining a carefully updated record book of costs and profits and what she had spent those profits on. Among those items – in addition to the land purchases – were locally purchased farm inputs, implements and the hiring of local labor. In the last growing season, she hired six local people to work on her expanded holdings and paid them a daily wage. She was planning on doing the same in the new growing season, which was just starting. Here, on the farm of Janice Niwomugabe, was the Mellor thesis at work. She was profiting. She spends a significant share of her gross profits on locally-purchased inputs and local labor. The providers of those goods and services were likewise going to earn more money and themselves spend

³² Our visit to her farm was unscheduled. She was selected at random during the trip.

a share of it on other non-tradables. Here was a microcosm of agriculture-led rural growth in action. Yet, what was the DAP going to be recording as “impact:” the fact that she was producing more and that her gross income had increased, assuming, of course, that she were selected as a member of the sample frame. ACDI/VOCA DAP managers, in thinking about the follow-on to the present DAP should design that information-gathering and monitoring element to capture these secondary and tertiary spread effects which are, probably, more important in terms of impact and eventual sustainability than the initial round income effect of this (and similar) beneficiary(ies).

2. HIV/AIDS

SO2 guides the ACDI/VOCA DAP efforts to confront HIV/AIDS:

“Improve the food security of 60,000 people living with HIV/AIDS and their families through direct feeding programs.”

Uganda is a country that had been hard hit by the HIV/AIDS epidemic. After initially struggling against the reality that HIV/AIDS had become a national scourge, the Government of Uganda took upon itself the difficult task of convincing a nation that traditional modes of social behavior had to change, that every community had to fight this epidemic, and that every person had to share the task of slowing and stopping the onslaught of this disease and to embrace the task of caring for those already infected and their families. The country has done well. Over the past 10 years it has become perhaps the best example in Africa of success in reducing the rate of new infections through massive national publicity campaigns and proactive programs aimed at teaching its population how to prevent, to cope, and how to care. The ACDI/VOCA effort, operated in conjunction with partner NGOs, is part of the effort to provide care for People Living With HIV/AIDS (PLWHA) and to do so in a way that is far more than mere relief aid.

This is the second major component of the DAP. It is focused on its own Strategic Objective and is operated largely through ACDI/VOCA partnerships grants with other U.S. or Ugandan NGO organizations – Africare, CRS, TASO, and World Vision who undertake the actual food distribution programs.³³

Methodology

ACDI/VOCA’s primary task in this activity is to import U.S. P.L. 480 Title II Corn Soy Blend (CSB) and vegetable oil into Uganda on behalf of its cooperating partners and to transport these commodities to their central distribution points at various locations throughout Uganda. The daily ration consists of 300g CSB and 50g of vegetable oil per person in selected households, up to a total of five persons. ACDI/VOCA has also assumed responsibility for educating the beneficiaries regarding the nutritional importance of the rations by publicizing recipes for the use of CSB, the making and

³³ ACDI/VOCA also provides limited logistics support to Save the Children’s efforts in confronting HIV/AIDS.

distribution of posters and other visual materials and intensive nutrition and hygiene training for beneficiaries at final distribution points.

ACDI/VOCA also imports and monetizes wheat for local currency needed to cover its own local management costs associated with this component of the DAP and monetizes additional wheat and distributes these proceeds to the cooperating partners in accord with the individual agreements and the provisions of their own approved DAPs.

In addition, ACDI/VOCA is responsible for monitoring compliance with USAID regulations with regard to the in-country management and distribution of these commodities by the NGO partners and for evaluation and auditing. ACDI/VOCA maintains a compliance office for this task. The head of this office is constantly on the move to the partner NGO distribution centers, monitoring the storage, handling, and distribution of these commodities to insure all is done according to pertinent U.S. government regulations.

Results

Interviews with the four cooperating partners, ACDI/VOCA logistics and compliance officers, the GDU team reviews of relevant documents, and site visits to a number of distribution centers by the evaluation team have led to the general conclusion that the HIV/AIDS elements of the ACDI/VOCA DAP are working extremely well. There are, as noted in the structural review section below, significant problems with the movement of commodities to Uganda from the port in Mombasa, but, as all interviewees stressed, not a single intended beneficiary has gone without food as a result of lack of availability at the distribution centers. To a very great degree, this seems to have been the result of ACDI/VOCA's ability – at least thus far –to balance availability with need.

Interviewees also stressed that with the exception of some initial uncertainty about this food (CSB) that is new to them, beneficiaries have learned from the recipes and posters and banners to prepare and, reportedly, readily accept CSB as quite a palatable and even versatile food. World Vision staff reported that they have observed recipients preparing CSB porridge, CSB pancakes and even CSB donuts. The vegetable oil has also been well accepted and well utilized – providing an important caloric boost in the preparation of all types of household dishes.

Both evaluation team members had the opportunity to observe actual distribution of commodities to hundreds of beneficiaries. The team was impressed by the appearance of order, efficiency and good commodity management and record keeping in the distribution process. Individual beneficiaries were processed through the various “stations”³⁴ in the process efficiently but without undue rushing. There were no crowding or time-consuming long queues, because individual recipients knew in advance the timing of

³⁴ E.g., check-in and identity verification, ration size determination, physical weighing and record-keeping of HIV/AIDS infected recipients, checking physical quality of the bags being used for transport, weighing and distribution of varying amounts of CSB and vegetable oil (depending on family size), confirming that the process had been completed accurately, and check-out.

their particular distribution. The process seems to be well-ordered and effective. It was noted by several of the NGO partner distribution officers that the ACDI/VOCA compliance officers had done their jobs well and had been both strict and helpful in insuring that U.S. regulations were maintained and that the partners were well-trained and appropriately assisted in complying with them.

Issues

Three issues were raised with the evaluation team which are worthy of comment here. The first, and most important, is the extent of unmet need. There are a number of areas of the country where there are large number of PLWHA in need of nutritional supplementation. The widespread nature of the HIV/AIDS epidemic and the continued unrest in parts of the north have left a large – but unknown number of households with unmet needs. To the extent that the security situation in some areas of the north permits, there may be opportunities to expand the program – assuming that problems in the supply route from Mombasa to the final distribution points in Uganda can be overcome. It is Recommended (*Recommendation No. 10*) that, should USAID decide to expand the program – particularly in Northern Uganda where the rate of new infection is said to be the greatest (though from a lower base) – and should ACDI/VOCA continue to be the primary agent for logistics, compliance, monitoring, and evaluation, ACDI/VOCA-Uganda should be provided the additional financial, physical and human resources needed to do so at the same very high level of accomplishment in meeting all requirements and discharging all responsibilities. It was noted in this regard by several ACDI/VOCA staff that some of the implementing partners lack capacity in the areas of budget management, monitoring and evaluation, reporting and information collection. This adds further to the burden of ACDI/VOCA's Grant Management Unit. The Team believes that ACDI/VOCA staff is probably at or near the limit of their capacity in supporting the HIV/AIDS program as it is presently configured. Should there be a significant expansion in ACDI/VOCA responsibilities for the HIV/AIDS program, additional staff, vehicles, and financing will be required.

The second issue is related to the first in the sense that it also deals with transport of food. Two of the NGO partner interviewees and a site visit to a CRS distribution point all raised the issue of the difficulty some of the beneficiaries experience in picking up and/or transporting the food to their home locations. Present regulations require that the beneficiary must present himself or herself at the distribution point in order to be provided the appropriate ration for the household. By definition, many of these recipients are weakened by their condition and find it difficult to carry the family ration (often many kilos) all the way back. At some distribution points, the evaluation team was informed that many recipients may have to travel more than 15 kilometers in each direction. World Vision representatives would like permission to use their own vehicles to move food commodities to selected further distribution points in order to shorten the distance HIV/AIDS sufferers have to travel to receive and transport home their ration. The ACDI/VOCA Compliance Officer noted that the problem is often that warehousing in many parts of the country is not secure and that food commodities – particularly vegetable oil – is subject to serious levels of theft if stored in unsecured locations. It

might be possible to distribute Title II commodities directly from the transport vehicle, however. In this regard, it is recommended (*Recommendation No. 11*) that the World Vision request be given sympathetic consideration to see if a system can be worked out that might solve the distance problem for HIV/AIDS affected individual beneficiaries without compromising the need for adequate physical security and assuring the food commodities are used for their intended purposes.

The maximum ration size per recipient household is limited to an amount sufficient for five persons. A substantial number of households affected by HIV/AIDS are larger than this. The issue was raised at one location regarding whether the maximum per household ration could be increased for households with more than five members. While it is often difficult to authenticate the size of households, the evaluation team, nonetheless, suggests ACDI/VOCA review this issue to see whether an increase might be justified or whether other considerations may continue to weigh against increasing the total ration for households of more than five persons.

Findings and Conclusions related to the HIV/AIDS component

One of the more important findings of the MTE – based on comments from several interviewees at different location – is that the HIV/AIDS component of the ACDI/VOCA DAP is having two related positive consequences, the second, apparently unintended. Many advanced HIV/AIDS infected recipients of the distributed food who would normally in Uganda have become, at this stage of their illness, very weak and physically wasted to the point of emaciation are, in fact, regaining weight, feeling physically better, and are remaining productive far longer than had been the case prior to the feeding program. While, in most locations, HIV/AIDS-infected beneficiaries are weighed on a monthly basis and these weights are recorded, more could be done to analyze the relative increase in activity and productivity of individuals benefiting from the program and in the length of time that survival is increased as an apparent result of the feeding program. It is recommended (*Recommendation No. 12*) that consideration be given by USAID in cooperation with ACDI/VOCA and the cooperating NGO partners to the commissioning of a survey, or series of surveys, to determine both the human health and economic consequences attributable to the program.

The second consequence, and one seemingly of considerable interest, stems from a comment made by one NGO staff member involved at a food distribution center and later made again by another separate NGO staff person in a meeting in Kampala. Both individuals mentioned that they have detected a changing attitude among beneficiaries in the program and others in the community about how they and others now react to the fact that they – or their friends or neighbors – have tested positive for HIV/AIDS antibodies or have been infected by the virus. Previously, the reaction had been that this “was a death sentence” and all that could be done was to give up and wait for death. Increasingly, and very much a result of the improved physical condition and capacity for increased activity enabled by the feeding program, these individuals seem to have gained a much more positive attitude about the quality of their lives as infected persons. They feel better physically and emotionally about themselves and about what they can do with

their lives even though they realize the time available may have been shortened. Partially as a result of this apparent changing “mindset” about the options still available to HIV/AIDS-sufferers and their families, there is a much greater willingness in many communities to be supportive of friends and neighbors who are infected.

Whether this observation by two interviewees is merely anecdotal, or whether it represents a significant shift in views about the “stigma” or lack of it associated with being diagnosed with HIV/AIDS, is unknown to the team members. It is suggested that this sort of mindset change, if it is occurring widely in the population, or is specific to those associated with this distribution program, or only to a few individuals, is worth investigating, if such an investigation is not already ongoing.

B. Structural Analysis

This section of the MTE looks specifically at the efficacy of the present ACDI/VOCA-Uganda management system and whether it has been found by the evaluation team to be appropriately addressing the many responsibilities required of it by both USAID policies and procedural requirements and by the nature of the problems confronted by a Title II monetization and direct distribution program in a land-locked developing country in the sub-Saharan Africa of the early 21st Century.

As a Title II monetization and development programming entity, ACDI/VOCA-Uganda has been in continuous operation in Uganda since 1991. During this period – which involved the satisfactory completion of two previous five-year DAPs – the capability of the organization to manage the chain of actions required of a monetization program has grown increasingly well-honed. The overall structure of the ACDI/VOCA office in Kampala is, in the evaluation team’s judgment, well-designed to carry out the functions required of it by the present DAP, the requirements of the Title II commodity logistics chain, the monetization process, the necessary relationships with partner NGOs involved in the umbrella monetization arrangement, and the added responsibilities for up-country movement of Title II commodities intended for direct distribution by partner NGOs. The schematic of the administrative structure attached at Annex B shows the configuration and allocation of staff resources.

The Evaluation Team held a series of one-on-one interview sessions with staff of each of the component units of the ACDI/VOCA office. Procedures were reviewed, issues and problems encountered were discussed and operations manuals were reviewed. Out of these sessions, augmented with meetings at USAID and with the major partners and a sample of grantee representatives, an overview of operational effectiveness gradually took shape. With the exception of three problem areas – some of them significant – discussed below, the overall management of the ACDI/VOCA operations is regarded by all interviewees as extremely good – “really quite exceptional,” as one interviewee put it. In the view of the Evaluation Team members who have observed other Title II monetization efforts elsewhere, this seems, in all major respects, to be a model DAP

operation, particularly in the areas of financial management, management of the monetization process and physical management of the commodities prior to monetization or distribution to beneficiaries in the HIV/AIDS component. The operations of the quite active Compliance Office staff to insure that USAID commodity regulations are observed and to provide technical assistance at the point of distribution to PLWHA beneficiaries is particularly notable.

The Grants Management Unit had by far the largest and widest-ranging set of responsibilities and, owing to a quite obvious sense of dedication and a very high level of professional competence, seemed to be handling relations with the grantees and partners exceptionally well. The evaluation team noted, however, that the professional team seem a bit thinly stretched across its numerous tasks and responsibilities. There is need in this unit for something like two additional professional staff to share a very heavy workload. The evaluation team noted that both the Program Manager and the staff of the GMU were being required by the ACDI/VOCA home office, USAID/Uganda and others to take on tasks outside of those relating to DAP activities or non-DAP development work relating to Uganda already on their plates. A significant amount of time is spent in these efforts. Should work in the northern areas of Uganda begin to grow, as a function of improved security, there will almost certainly be a need for additional professional staff in the GMU and possibly in the compliance and logistics areas as well.

The three problem areas involving DAP management or non-programmatic areas of the DAP, are:

- i) transport problems for commodities (primarily, but not entirely wheat) between the Port of Mombasa and ACDI/VOCA warehouses in Uganda;
- ii) relations between the ACDI/VOCA DAP program and the USAID-funded APEP activity; and
- iii) the future of vegetable oil as the key monetization (for ACDI/VOCA's DAP) commodity.

Commodity Transport Problems

There are presently major logistics problems in moving P.L. 480 Title II commodities from Mombasa to Kampala. Based on discussions with the logistics staff, the monetization staff, the Program Director and Deputy Program Director, USAID/Uganda's cognizant PL480 Officer and several of the NGO partner organizations, the picture of the magnitude of the problem that emerges is troubling. Grain discharged in Mombasa in March/April has still not arrived in Kampala as of the writing of this report. A number of large shipments of Title II commodities have arrived in the interim and have, for the most part, been caught up in the same transportation logjam. ACDI/VOCA is in constant contact with its forwarding agents in Kenya and have on several occasions traveled to the port and/or to Nairobi to discuss the problem with senior officials of Kenya Railways. To the extent possible, truck transport has been

arranged to move some of the commodities, but the magnitude of available trucks and the greatly increased cost of doing so obviates this approach as an option for most of the commodities. The problem is an apparent lack of railcars and of locomotives in Kenya Railways. The reason for this shortage and its manifestations and adverse impact on ACDI/VOCA commodity logistics for a period of – now – months is obscure. Adding to the problem is the fact that storage space in and around the Port of Mombasa has virtually disappeared and ACDI/VOCA faces significant cost issues in locating temporary and appropriate storage for these perishable commodities in the heat and humidity of the coast.

Discussions with several interviewees raised the possibility that other cargo is making its way onto scarce railcars due to unrecorded payments by some parties to persons in Kenya able to influence the manipulation of priorities for loading these goods wagons. There was no way for the Evaluation Team to determine the credence of these rumors, although long experience in the region would cause us to tend to agree that something of this sort is likely to be happening. In these circumstances, and given the possibility of serious cost consequences to the U.S. government and damage to on-going programs of five U.S. NGOs in Uganda.

The Evaluation Team recommends (*Recommendation No. 13*) that this problem be elevated to USAID senior management for possible involvement of USAID/Kenya or REDSO and/or the U.S. embassies in Kampala and Nairobi and the subsequent initiation of serious discussions with senior Kenyan and, if necessary, Ugandan government officials (Kenya Railways is a state-run enterprise) intended to find ways to break this logjam of Title II commodities awaiting transit to Uganda. The urgency of doing so in the very near future is increased by the advent of severe drought conditions in parts of Kenya due to lack of rain in the main 2004 rainy season there and the likelihood that donor food shipments will be required to feed several million drought-affected Kenyans in the near future. The Ugandan P.L. 480 shipments should be evacuated from Kenya before the arrival of those anticipated shipments. In this regard, the preparation of a historical chart showing the net tonnages of Ugandan Title II commodities delivered to Mombasa Port but not yet arrived at Ugandan ACDI/VOCA warehouses would be instructive. It should show a histogram of backed-up commodities on a week-by-week basis from January 2004 to the present.

Relations between the ACDI/VOCA DAP and the APEP project

During the previous DAP period and during the early phase of the present DAP, professional relations between ACDI/VOCA DAP staff and those of the then-extent IDEA project staff were relatively close and cordial. IDEA staff provided backstopping and support in a number of technical areas, extension advisory services, and recommendations for lending by the two banks supported by the DAP – an important service to IDEA-supported farmers. The objectives of the two activities were quite similar and the interface was well understood. The IDEA project has now ended. It has been replaced by the new USAID-financed APEP program which, while it has carried forward some of the same functions of the IDEA project, is not a continuation of the

IDEA project. It has a quite distinct set of objectives – basically the commercialization of medium- and advanced small-scale farmers as a means of increasing rural incomes and generating demand leading to significant growth of Ugandan rural enterprises. By and large, the farmers it selects for inclusion in its crop-specific programs are more advanced and probably wealthier (in terms of physical and productive assets), on average, than those being assisted through the ACDI/VOCA program. The DAP beneficiaries in agriculture are locally-based NGOs who are being assisted to create and sustain nascent farmer groups as a way of gradually introducing their members (second round beneficiaries) to farming as a business and helping them to learn and apply some basic business-oriented principles.

The indicators of a possible problem, as described to the evaluation team by several staff members of the ACDI/VOCA team is that some of their local NGO partners have reported that members of some of their constituent groups have been contacted by APEP field staff and have been receiving agronomic support or advice from these APEP staff which is at variance from that provided by the ACDI/VOCA grantees. Examples include different recommendation for maize planting and spacing techniques and promises of better levels of support from APEP than these farmers would be able to receive from DAP-supported local NGOs.

This problem may seem, at first blush, rather small potatoes, and in some ways it may be so. However, it is already extremely difficult for the DAP-supported NGO organizations to be able to convince farmers regarding the efficacy and benefit of simple group-oriented production, post-harvest handling, and joint crop storage and marketing. The early loss of some of their more promising members to APEP-supported crop-specific support could be seen by the DAP NGO intermediaries as quite devastating to the process described earlier in this paper of local, group-oriented approaches to developing jointly-planned local priorities and the development of the precepts of local governance. In a sense, what the evaluation team is talking about here is SO9-type development at the local level (very much an outcome of the ACDI/VOCA DAP process) being adversely affected, to some degree, by what the APEP program staff rightly (according to their own development mandate) see as bringing their message to those farmers capable of taking advantage of it. The APEP approach is not built to give a great deal of attention to the growth of these locally-based governance-cum-development processes and it is possible that, where there is interface in specific geographic areas, the DAP-supported approach could be vulnerable.

There need not be this type of problem. Discussions between the parties and with USAID staff (possibly involving SO9 as well as SO7 officers) should be able to come up with some sort of solution that identifies not only the need to cooperate between the two programs, but where and how this cooperation ought to work so as to preserve the likelihood of achieving success in the two sets of objectives. The Team recommends (*Recommendation No. 15*) that ACDI/VOCA staff and APEP staff, with participation by USAID personnel meet officially to identify the nature of the issue(s) and to work out a modus operandi that preserves the ability of both activities to make unimpeded progress toward their respective objectives.

The Future of Vegetable Oil as the Primary Monetization Commodity for ACDI/VOCA in Uganda

There are several related issues here. First, Ugandan production of palm oil is projected to increase considerably over the next 7-10 years, as palm oil estates now being developed come on line. Such an event would likely greatly increase the supply of locally-produced edible oil and, given the high per-hectare yield of palm oil and its apparently lower per unit production costs, this should serve to reduce the consumer price of vegetable oil and put downward pressure on the selling price in Uganda of U.S. Title II vegetable oil which, until recently was required to be sold at an average price not less than 80 percent of the FAS cost, port of loading.³⁵ Adding to the concern is the apparent granting of duty free status to imports of foreign palm oil by the company (BIDCO) developing the domestic palm oil estates for an estimated seven years until local production is established. BIDCO has built an oil processing plant in anticipation of being supplied by local production whenever it comes on line. In the interim, it will be able to process apparently quite large amounts of palm oil it will be allowed to import duty-free in the several years before its local oil palms are mature enough to start producing. This is not good news for producers and purveyors of other types of vegetable oil in Uganda. It is also a potential threat to future Title II monetizations and to the domestic oilseed production and processing industry which ACDI/VOCA has been supporting for several years under this and previous DAPs. While little is known (insofar as the evaluation team could determine in its relative brief time in Uganda) about consumer demand for sunflower seed oil or the oil manufactured from other domestic oilseeds (or from soon-to-increase cotton seed oil availability) vs. demand for palm oil (for both human consumption and use in soaps and other industrial processes), what is clear is that the consumable oil industry in Uganda is entering a period of volatility and apparently higher availability of oil in retail markets.

Evaluation team discussions with ACDI/VOCA and APEP staff have also revealed that production by smallholder oilseed producers for purchase by UOSPA (and Mukwano, the largest present oilseed processor in the country) have lagged expectations. The Evaluation Team did not visit oilseed producing areas in northern and eastern parts of the country because of time constraints.³⁶ Further, senior ACDI/VOCA staff dispute some of Mukwano's allegations regarding oilseed production, citing among other things the continuation of security problems in the production area and the failure of some extension agents to make use of their training. However, information contained in the Ssemwanga results reporting on oilseed production seems to be showing trends in oilseed

³⁵ Recently, USAID policy has been liberalized so that imported Title II vegetable oil can be sold at market prices. While helpful in the Uganda situation discussed above, any increase in the gap between the total cost of delivering Title II food commodities for monetization and the total amount of local currency equivalent generated from the monetization process provides additional ammunition to those critics who decry the relative cost inefficiency of U.S. food aid.

³⁶ The mid-term evaluation of the previous DAP also found some problems in this regard and expressed concern about oilseed production, overall quality and marketing problems by and for oilseed producers in some area in the north.

production by DAP-supported farmers consistently below IPTT targets. In discussion with APEP staff, some concerns were expressed regarding the type of seed (sunflora), being provided to UOSPA-supported oilseed growers by UOSPA management. APEP staff is recommending a new variety from Southern Africa which their data show to have considerably greater yields under Ugandan conditions than the sunflora variety.

Given the above discussion on the greater levels of competition soon likely to be coming from palm oil (initially being imported duty-free and eventually to be domestically-produced) and domestic cotton seed oil, and APEP data indicating the superior yield properties of their Southern Africa variety, the evaluation team recommends (*Recommendation No. 16*) that ACDI/VOCA, working with UOSPA and APEP staff determine the extent to which UOSPA-supported grower production have fallen below targeted levels of production and, if so, the reasons and remedial actions that might be necessary to increase production. The analysis should also determine whether the APEP-recommended variety should be provided to DAP-supported oilseed growers and a means of increasing production and, potentially decreasing per unit production and processing costs.

V. Summary Conclusions

Over the years, the ACDI/VOCA team in Uganda has gained a reputation for excellent and effective management. Nothing the evaluation has seen during these three weeks will do anything to damage that reputation. This is well-designed use of Title II food resources. It is a well organized and effective team that has delivered good progress against its strategic objectives in both the agriculture and HIV/AIDS areas. The entire operation seems well-knit and areas such as financial management, unaccounted commodity losses, poor relations with local government officials and the like which bedevil DAP programs in other parts of the world do not seem to have occurred at all in the ACDI/VOCA operation in Uganda. The evaluation team was unable to locate anyone with knowledge of the ACDI/VOCA Title II DAP program who had anything but high praise for its efforts. Overall, then, it receives highest marks for effective management, a well-run grants award program, its outreach and support to partners and grantees and the progress it has made toward achieving objectives in a sometimes tough environment.

There are, however, individual problems and issues. These have been identified and analyzed in the previous pages and for some of them there is still work to be done in their successful resolution.

From the perspective of the evaluation team, there are two areas of particular concern because they affect the extent to which the program is likely to achieve its stated food security objective. These are: i) the manner in which progress is measured and the indicators used to do so, ii) the relationship of program achievements to food security outcomes. These are discussed at length in the body of the Report and needed remedies are suggested. Some of the steps that need to be taken are outside of ACDI/VOCA-Uganda's immediate control and should involve local USAID staff and others in their resolution.

The problem of the continued viability of Title II vegetable oil as the monetization commodity of choice is troubling. Should it be priced out of the local market because of the competition of imported palm oil, not only will it be much more difficult to secure the local currency needed to run the ACDI/VOCA program, this calls into question the viability of the local oilseed industry which a series of three DAPs have attempted so assiduously to develop and strengthen to the point of likely sustainability. While there will continue to be a market for imported hard wheat, the availability of rail cars and engines will become an even greater issue.

VI Recommendations and Next Steps

A. The Recommendations Summarized.

The following are the recommendations found at various places in the text of this report:

Recommendation No. 1: ACDI/VOCA should provide a minimum of 4 working weeks for DAP mid-term evaluations in the future. This would allow 1-2 days for preliminary briefing; 7-10 days for site visits; 5-6 days for interviews of staff, partners, grantees, other donors, governmental officers, USAID staff and other interested parties; 5-7 days for drafting a 40-50 page report; 1-2 days for preparing and making presentations to ACDI/VOCA staff, others, and USAID; and 1-2 days for final edits and discussion of the implications of the report.

Recommendation No. 2: ACDI/VOCA and Ssemwanga with assistance from grantees, should develop a series of testable indicators that can be used to measure the effectiveness of ACDI/VOCA methodologies for improving the impact of training, technical assistance, inputs from partners, follow-up monitoring, and feedback loops on: i) grantee effectiveness, farmer groups effectiveness and the improved capacities of farmers to understand what has to be done to improve the level of production, how to allocate factors of production, which crops to grow, when to plant, how to plant, how to reduce costs, secure credit when needed, improve the average grades of crops produced, take group actions to improve net incomes and – in general – to gain enough sophistication to become a commercially viable farmer or farmer group. This general result, denoted as “improved capacities of farmer” on the Chart 1 schematic, is where *sustainability* is born and where evidence of sustainability needs to be gathered and analyzed. Additional resources should be made available for this undertaking.

Recommendation No. 3: ACDI/VOCA should commission the gathering of information from a statistically appropriate sample of program beneficiaries regarding changes over the life of the 2002-06 DAP in the amounts and types of rural credit they have received in order to determine whether, and to what extent, their access to credit may have improved as a result of the DAP-financed credit component. Additional resources will be required to finance this undertaking.

Recommendation No. 4: ACDI/VOCA efforts now underway to pilot or test the use of warehouse receipts as collateral for agricultural loans to project beneficiaries should be carefully monitored and documented in order to provide material for a case study with lessons – positive and negative – to guide future small farm lending in Uganda and elsewhere.

Recommendation No. 5: If credit forms a component of any follow-on DAP, such credit should be made available as a matter of first priority to those groups of farmers participating in the DAP which have been identified as having made good progress in increasing the amount and quality of their combined agricultural production and demonstrating other evidence (e.g., grouped collection and storage of maize, beans, oilseeds or other supported crops; evidence of improved farming practices, decreased post-harvest losses; group purchasing of inputs, and experience with group-based, organized savings programs; etc.) of successfully absorbing and utilizing “Farming as a Business” principles. During the remaining two years of the present DAP, field staff of the two banks and grantee managers should begin working together more regularly to identify credit-worthy groups or individual farmers.

Recommendation No. 6: ACDI/VOCA, as it develops thinking for a 2007-2011 follow-on, should consider development of a large number of smallholder, group-focused, crop-specific marketing associations as the primary objective. In effect, the next DAP activity would aim to “graduate” groups from “basic training” in the principles of crop marketing into more advanced, ever-more-effective approaches looking at foreign markets, niche markets, and new possibilities for smallholder production.

Recommendation No. 7: ACDI/VOCA should consider commissioning, during the remaining two years of the program, two types of surveys in agricultural areas served by program grantee NGOs. First, infants and young children should be tracked for stunting from the time of weaning to about age three. Between those ages, stunting is reversible with appropriate post-weaning nutrient intake and special attention at the household to issues of health, clean water, and sanitation. Again, special attention ought to be devoted to trying to identify stunted children in the >36 months cohort in participating program farming households and to focus on training their caregivers to provide appropriate nutrition and preventative health and sanitation practices. Second, ACDI/VOCA staff, working with Ssemwanga Centre and others, should attempt to determine the composition and the Ush cost of a basket of food representing the lowest cost combination of foods available in local markets in program areas that would provide the necessary sources and amounts of macro and micronutrients for nutritionally adequate daily consumption. Once determined, simple monthly surveys in representative markets should be commissioned (using local, trained enumerators to collect and transmit this price data – a task of less than an hour per month per market). Over the remainder of this DAP lifetime and, particularly, during any subsequent follow-on, changes in the cost of this basket of available local foods should be monitored for use, eventually, in comparison with household expenditure data (which a later recommendation in this report will discuss). This will begin the task of building the case that food security improvements in project areas can be tracked as a function of the intersection of increasing household expenditure levels (as a proxy for income) and known costs of nutritionally adequate foods in local markets.

Recommendation No. 8: USAID/Uganda – if it desires to continue to focus some of its resources (including Title II food aid) to effectuate food security outcomes – should commission a study to determine the nature and extent of actual food insecurity in Uganda, its principal causes, what is presently being done by all donors to attenuate those causes, what is left undone, and whether its present strategy and those of its DAP partners are appropriately aimed at the right targets within the context of this clarified picture of the problem.

Recommendation No. 9: USAID/Uganda should consider the gathering and analysis of data on rural “effective demand” or purchasing power as preferable to a focus on rural household “income” for the reasons stated on page 33.

Recommendation No. 10: Should USAID decide to expand the program – particularly in Northern Uganda where the rate of new infection is said to be the greatest (though from a lower base) – and should ACDI/VOCA continue to be the primary agent for logistics, compliance, monitoring, and evaluation, ACDI/VOCA-Uganda should be provided the additional financial, physical and human resources needed to do so at the same very high level of accomplishment in meeting all requirements and discharging all responsibilities. The Team believes that ACDI/VOCA staff members are probably at or near the limit of their capacity in supporting the HIV/AIDS program as it is presently configured.

Recommendation No. 11: The World Vision request to use its own transport to move some food to destinations closer to distant HIV/AIDS-affected recipients should be given sympathetic consideration to see if a system can be worked out that might solve the distance problem for HIV/AIDS affected individual beneficiaries without compromising the need for adequate physical security and assuring the food commodities are used for their intended purposes.

Recommendation No. 12: Consideration should be given by USAID in cooperation with ACDI/VOCA and the cooperating NGO partners to the commissioning of a survey, or series of surveys, to determine both the human health and economic consequences attributable to the HIV/AIDS component of the ACDI/VOCA DAP program.

Recommendation No. 13: The problem of the logjam of Title II commodities intended for Uganda being held up in Mombasa for lack of rail cars or engines should be elevated to USAID senior management for possible involvement of USAID/Kenya or REDSO and/or the U.S. embassies in Kampala and Nairobi and the subsequent initiation of serious discussions with senior Kenyan and, if necessary, Ugandan government officials (Kenya Railways is a state-run enterprise) intended to find ways to break this logjam of Title II commodities awaiting transit to Uganda.

Recommendation No. 14: ACDI/VOCA staff and APEP staff, with participation by USAID personnel should meet officially to identify the nature of the issue(s) related to possibly conflicting demands on farmers participating in DAP-group consensus-building activities and to work out a modus operandi that preserves the ability of both activities to make unimpeded progress toward their respective objectives.

Recommendation No. 15: ACDI/VOCA, working with UOSPA and APEP staff should determine the reasons that UOSPA-supported growers have systematically fallen below targeted levels of production and whether the APEP-recommended variety should be provided to DAP-supported oilseed growers and a means of increasing production and, potentially decreasing per unit production and processing costs.

B. Next Steps.

A number of needed early actions, or “next steps” have been discussed in one way or another at various points in the Report. Brief reminders of some of the more important are collected below. Explanation and background are found in the body of the Report:

Logistics: The problem of backlogged commodities deserves attention at higher levels if it is to be resolved before food arriving to respond to the Kenya drought clogs transport even further.

The need to work out a *modus vivendi* with APEP, while not acute, needs to be accomplished sooner rather than later. Both sides need to be clear on what is intended by the other and areas of potential future issues need to be mapped out and resolved ahead of time.

ACDI/VOCA needs to be preparing for greater activity in the north in several ways. First is to determine why oilseed producers are not doing better. Second is the possibility of generating new proposals from groups that will be increasing operations in the north if and when the security situation allows. These efforts should be designed so that a follow-on DAP can pick up development support functions seamlessly.

A caution: ACDI/VOCA should not take on any more non-DAP assignments without additional staff and other needed resources.

Thoughts regarding a possible follow-on activity

A follow-on 2007-2011 program is, in the evaluation team’s view, essential to capitalize the capacity-building and institution-strengthening efforts initiated under the present DAP for the two levels of intermediaries (the grantee NGOs and the nascent farmer groups they serve) as a means of developing an enduring Ugandan capability to service

and strengthen the earning potential of smallholders. These groups, with a few exceptions, will only be part way along the growth curve in 2006.

It can be assumed that there will be more to do in the north, if the security situation improves. The evaluation team believes a stronger geographic focus is essential in a next phase and limiting new grants to identified geographic areas is strongly suggested – with groups working with farmers in the northern districts deserving highest priority consideration. It has been suggested that the current prospects for upland rice are particularly good and moving this crop into the top tier for future support is likely to be warranted.

For farmer groups whose support has begun in the present phase, the emphasis in the next should be on crop quality, uniformity, becoming reliable suppliers to their customers, and above all on developing much better marketing know-how at the farmer group level. These groups need to be in a position to offer competitive grades at competitive prices. The grantee NGOs will have to become useful enough to those groups that they will be able to finance themselves from commissions and fees charged their member groups. They will have to be viewed by the farmer as contributing significantly more to the farmer's net returns than the fee or commission they will charge. The grantee warehouses now being constructed should be the first such arrangement.

Key elements of the follow-on DAP will likely include leadership training for farmer groups, the development of group by-laws, boards of directors, women farmers in leadership positions in these groups, finding ways to reward those demonstrating the most rapid improvement and who are best putting to use what they have learned.

Above all: the follow-on should have a tough, no-nonsense bottom line objective: participating farmers *will* "earn more money." The overriding task for the next DAP will be to make it so.

The HIV/AIDS component has done well and it, too, should continue. There are already, the evaluation team believes, pressures mounting for ACDI/VOCA to expand its HIV/AIDS operations and rightly so. However, ACDI/VOCA should resist doing so without being provided the additional financial and physical resources needed to expand support for the HIV/AIDS affected population presently not receiving support.

Finally, for all components of any follow on: Select the measures of success carefully. If there is to be an impact on food security, make sure all the links in the chain of desired causality are illuminated and the hypotheses linking each to the next are valid.

Annexes

Annex A Scope of Work

Annex B ACDI/VOCA-Uganda: Administrative Structure

Annex C IPPT

Annex D Grant Awards to Date.

Annex E Persons Interviewed

Annex F Bibliography

Annex A

Scope of Work

ACDI/VOCA's

Uganda P.L 480 Title II Program's

Mid-Term IMPACT EVALUATION SCOPE OF WORK

I. PURPOSE:

The purpose of the mid-term evaluation is to assess the achievements to date and identify areas for the improvement of the implementation of ACDI/VOCA's 2002-2006 DAP. The evaluator will carry out evaluation activities and produce a concise, readable report that assesses and documents the impact of ACDI/VOCA's activities both expected and unexpected with respect to project objectives. Additionally, the report should highlight the sustainability, relevance, performance and accomplishments of certain program components. The report will be used by USAID to evaluate ACDI/VOCA's program.

II. SUMMARY AND BACKGROUND:

ACDI/VOCA manages a PL-480 Title II monetization program in Uganda. Operations began in October 2001 and are scheduled through September 2006. The program provides food commodities to develop local markets and generates local currency sales proceeds. Proceeds are used to carry out development projects including: providing food rations to people affected by HIV/AIDS, increasing agricultural production of targeted crops, rehabilitating feeder roads, and conducting rural financial services activities through Standard Chartered Bank and Centenary Bank.

The Program also manages monetization activities for five other Cooperating Sponsors, including World Vision, TechnoServe, Africare, Save the Children, and Catholic Relief Services. ACDI/VOCA began monetizing for other cooperating sponsors in 1997.

The primary objectives of ACDI/VOCA's Uganda Title II Program are:

1. Agriculture: *To improve food security by raising the production and marketing of selected crops and increase rural household incomes for 120,000 beneficiaries, with a focus on vulnerable groups.*

Sub-objectives include:

- ☐ Increased adoption of improved agricultural practices;
- ☐ Increased market access;
- ☐ Increased access to rural financial services for inputs; and,
Improved utilization of food

1. *Improve food security of 60,000 PLWHA and their families through direct feeding programs.*

Sub-objectives include:

- ❑ Improved nutritional awareness and practices by PLWHAs
- ❑ Increased use of non-food aid services by PLWHAs

The Program was designed to improve food security through two mechanisms. First, the monetization sales mechanism is used to liberalize the vegetable oil market and improve the overall food marketing system. Through the improved food market system, ACDI/VOCA has imported and monetized approximately \$8,000,000 worth of agricultural commodities since the start of the program. Through the improvement of food systems and monetization, ACDI/VOCA has been able to encourage the participation of small and up-country entrepreneurs from areas where food security needs are the greatest. Second, the generated sales proceeds are programmed to improve food security through implementing programs that meet the above development objectives. Program interventions aim to affect all levels of the food chain, from production to processing to marketing. In order to effectively carry-out the agricultural components of the Program, a Grants Management Unit structure is utilized to oversee and execute this objective. The GMU provides grants and technical training and guidance to local and international NGOs who either provide extension services to rural farmers or distribute food rations to PLWHAs..

The purpose of this evaluation is to measure the sustainability and effectiveness of ACDI/VOCA in its goals and objectives - as stated in the *Development Activity Proposal* (DAP) submitted to USAID, dated September 21, 2001. The key Program activities are:

- Increasing access to improved inputs (seeds, fertilizers, etc.) by linking rural farmers, village-level input stockists, regional distributors, producers and marketing agents to private sector rural credit institutions, in both rural and urban areas;
- Facilitating the demonstration of improved agronomic practices and PHH technologies;
- Disseminating price information throughout Uganda and rehabilitating rural feeder roads to improve smallholder farmer linkages to markets;
- Equipping farmers with the skills that enable them to plan their farming activities, project incomes, and market produce with a focus on profitability;
- Changing rural eating habits to ensure that the malnutrition, highly prevalent in Uganda, is mitigated;
- Distributing monthly corn-soy blend and vegetable oil rations to 60,000 people living with and affected by HIV/AIDS (PLWHAs) through four implementing partners;
- Working with PLWHAs to ensure long-term food security.

In 2003, ACDI/VOCA was awarded additional funds through its DAP to provide nutrition and hygiene training to a limited number of food aid recipients. This program component is directly implemented by ACDI/VOCA.

III. TASK DESCRIPTION

The primary purpose of the impact evaluation is to determine how well the Program is achieving its goals and objectives, to determine the sustainability of certain program components, and to make recommendations for improving the Program during the remaining portion of the DAP. The evaluation will also consider notable achievements to date, challenges that have been encountered, and the degree of success with which ACDI/VOCA has overcome those challenges.

The evaluation will also examine and comment on the extent to which the project is responding to the food security objectives of USAID.

A. Participatory Nature of the Evaluation

The evaluator will organize and carry out the evaluation in a participatory fashion, forming a team that in various places and times includes a range of managers, implementers, community leaders, partner agency staff and stakeholders. The study will note the views of the target groups with regard to their respective projects, paying particular attention to any significant gender-based differences in those views. It will also provide any other information that may further support or clarify the impact of the Program. The process and findings are expected to enable ACIDI/VOCA to clearly and easily evaluate the quality of programming over the last two and a half years.

B. Impact, Lessons Learned and Replicability

The mid-term evaluation will provide an opportunity to identify and document impact, key lessons learned and sustainability of certain components. In this regard, the evaluation and report shall include, but not be limited to:

- Analyzing the sustainability of certain program components. Specifically, these include:
 - a) Credit activities through Standard Chartered Bank and Centenary Bank;
 - b) Credit activities with the agricultural input chain: importers, distributors and village level stockists;
 - c) Partner organizations ability to continue activities if funding were to end;;
 - d) Production increases and the likelihood that these will continue;
 - e) The degree to which farmers are moving from subsistence to commercial farming;
 - f) Adoption of improved farming and post-harvest handling techniques;
 - g) Knowledge and adoption of good nutritional practices; and,
 - h) The quality and sustainability of roads projects
- Assessing which activities are contributing the most to achieving the food security and private sector promotion goals of the project? What is the level of impact?
- What is working very well, what is working less well, and is not working?
- What activities are providing the best return in terms of developmental impact per funds utilized?
- What changes could be made in current activities that would enhance their contribution to the fulfillment of objectives?
- What aspects of the ACIDI/VOCA Uganda PL-480 Monetization Program could be usefully replicated in other countries.
- Discuss the Program's interactions with GOU representatives and relationships in terms of the government's food security initiatives and policies at the national and local level.
- How is the Program viewed by donors, NGOs and private sector in terms of impacting food security? Identify ways to improve coordination with other food security partners.
- What development impact do ACIDI/VOCA's monetization activities and sale mechanisms (competitive bids) have on the market?

C. Program Management

The evaluator will comment on ACIDI/VOCA's performance in managing the Program based on the criteria outlined in the DAP. Measure whether ACIDI/VOCA has staffed the Program with enough full-time employees and has effectively utilized available host-country consultants to carry out project activities.

This component of the evaluation will also consider the roles of the Program's technical partners in contributing to project objectives. Partners include:

- The USAID-funded IDEA Project for maize, upland rice and beans;

- IITA for cassava, millet, and sorghum;
- The Uganda Oilseed Processors Association for oilseeds;
- The Ssemwanga Center (M&E contractor);
- MBW Engineers (feeder road TA).

The impact evaluation will also review management of:

- ACDI/VOCA's grants portfolio
- Vegetable oil auctions
- The Umbrella Monetization process

ACDI/VOCA's integration and partnership with USAID/Kampala's Economic Growth Strategic Objective (SO7) should also be analyzed to include contribution to the mission's results, objectives and indicators.

D. Monetization

Through the Umbrella Monetization agreement with USAID and other cooperating sponsors in Uganda, ACDI/VOCA manages the monetization component of all Title II programs in Uganda. ACDI/VOCA currently monetizes wheat for Save the Children, World Vision, Catholic Relief Services, Technoserve, and Africare.

The evaluator should report on the following:

- The utility of ACDI/VOCA serving as an umbrella monetizer
The timeliness with which payments from sales are made to cooperating sponsors
- Delays in project implementation, if any, that have resulted from delays in sales proceeds transfers.
- Regularity and timeliness of reports and updates from ACDI/VOCA on:
 - a) the status of commodities at the port, en route to Kampala and upon delivery
 - b) the receipt and transfer of sales proceeds from the sales agent
- ACDI/VOCA's protection of monetization proceeds from currency fluctuations
- Commodity losses and claims
- Port Survey reports
- Ugandan Warehousing operation
-

IV. OUTPUTS/DELIVERABLES

The evaluation will examine qualitative and quantitative measures of actual versus scheduled progress for all target indicators. The evaluation will analyze existing reports and will obtain additional insights through informal interviews, focus group discussions and participatory rural appraisals.

From this information, the evaluator will prepare a report focusing on: (a) the impact of ACDI/VOCA's project in relation to baseline indicators, life-of-activity targets and key assumptions; (b) reasons why targets were achieved or not; (c) significant trends and differences between planned and actual performance; (d) the roles of beneficiary participation, feedback and inter-sectoral cooperation in activity implementation; (e) the significance of ACDI/VOCA's accomplishments, and the extent to which the project has accomplished its set objectives as documented in the DAP.

The evaluation will examine the quantitative measures of actual *vis a vis* scheduled progress for all targeted performance indicators (Refer to the Program's Monitoring and Evaluation Plans). Both the monitoring and impact indicators shall be evaluated to ascertain the projects' extent of fulfilling the annual targets. The progress under each intervention is summarized in:

- quarterly reports;
- annual results reports (CSR4s);
- previously approved activity documents (PAAs);
- Two independent annual impact reports.

USAID Briefing & Debriefing Session

A briefing session will be held with USAID before the evaluation team is sent to the field. The evaluation will make a 60-minute debrief (including the time for questions), to USAID, on their preliminary key findings - with handouts (two to three pages max) - PowerPoint optional.

V. TIMING

The evaluator should arrive in Kampala on or about August 15, 2004 and plan to spend three weeks in country. Several days will be needed in Kampala for meetings and familiarization. The evaluator will travel with ACDI/VOCA representatives to several parts of the country to visit Program activities. On returning to Kampala the evaluator, will prepare the draft report which will be presented to Program management before departing the country. .

VI. PERFORMANCE STANDARDS AND QUALIFICATIONS

The evaluator's CV is attached.

VII. REPORT CONTENTS, CONCLUSIONS AND RECOMMENDATIONS

This report is a critical document that will impact the future operations of the project and USAID's assessment of ACDI/VOCA's capacity to effectively utilize funds. ***The report should be short, concise, to-the-point and utilize tables, charts and schematics as much as possible. The report must be presented in a way that facilitates identifying strengths, weaknesses, and recommendations for improvement.*** Based on this SOW and the reading material advanced to the evaluator, the evaluator should arrive in Uganda with a draft outline of this report.

VIII. LOGISTICS

It is expected that the evaluator will bring his/her own laptop computer and associated software, and be able to load appropriate printer drivers for use on locally available printers. The preferred software program is Microsoft Windows 98. Prior to arrival in Uganda, the consultant is expected to have read and comprehended program documentation. Available documents for reference include:

- DAP
- PAAs
- CSR4s
- Monthly Reports
- Quarterly Reports
- Joint Monetization Agreement
- Previous Impact Reports

Level of Effort: Up to 21 days

Qualifications:

- Familiarity with PL480 programming and monetization activities
- Experience with rural agriculture training/and or food distribution programs
- Strong critical analysis and report-writing skills

Other

Mid Term Evaluation files

The consultant should provide a soft copy containing all documentation of the evaluation including the structured raw data for reference purposes.

Ownership of Findings

All reports, manuals, and guidelines produced during this consultancy will be the property of ACDI/VOCA and will be disseminated at ACDI/VOCA discretion. In the event of sensitive matters being included in the report ACDI/VOCA reserves the right to withhold dissemination of part or whole of the report. [Not applicable to AID]

Confidentiality

There is no employment relationship between ACDI/VOCA and the consultant. This is an agreement for the provision of professional services. Consultants are responsible for making their own arrangements for payment of taxes. The consulting firm shall treat as confidential all knowledge of ACDI/VOCA documents and policies.

Disagreements

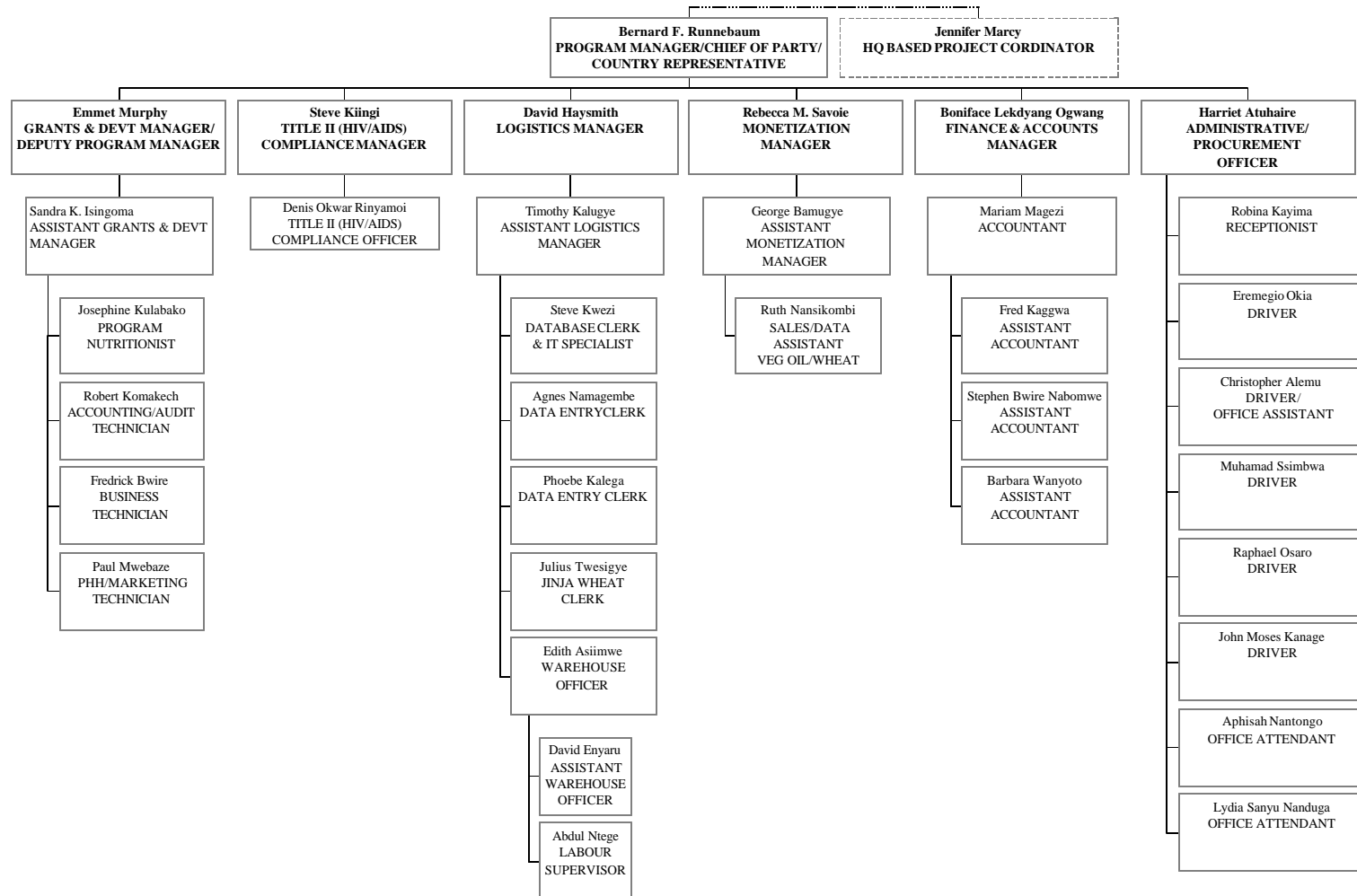
All disputes arising between ACDI/VOCA and the consultant will be settled by use of a third party mediator.

No Liability

ACDI/VOCA Uganda will provide all necessary information and transport to facilitate the work of the consultant but will not be responsible for any liability in the course of the consultancy.

Annex B:

ACDI/VOCA-Uganda Administrative Diagram



Annex C

Indicator Performance Tracking Table (IPPT): Agriculture

	Baseline	FY2002			FY2003			FY 2004		
Production (MT)		Target (T)	Achieved (A)	A as % of T	Target (T)	Achieved (A)	A as % of T	Target (T)	Achieved (A)	A as % of T
Grain	68,957	72,000	181,338	252	78,000	95,320	122	100,000	53,562	54
Beans	9,894	25,000	36,686	147	33,000	8,169	25	40,000	10,014	25
Cassava	38,609	10,000	124,972	1,250	50,000	72,872	146	100,000	108,180	108
Vegetable Oil	2,238	18,000	13,349	74	18,000	14,597	81	21,000	8,407	40
Annual Yield MT/HA)										
Maize	1.4	1.4	4.4	314	1.6	2.2	138	1.8	1.7	93
Beans	0.6	0.6	1.0	160	0.7	0.8	114	0.9	0.6	64
Cassava	n/a	8.2	27.4	334	12.0	27.5	229	20.0	27.7	138
Oilseeds (sunflower)	0.7	1.0	0.8	76	1.2	0.7	58	1.2	1.3	108
Crop Value (\$million)										
Grain	2.7	3.6	13.6	378	4.3	10.0	233	5.5	7.1	129
Beans	1.6	3.4	5.6	165	4.5	1.7	38	5.5	2.3	42
Cassava	4.3	0.5	13.9	2,778	2.7	15.3	568	5.5	9.3	170
Oilseeds	0.9	6.6	8.2	124	8.0	2.2	27	8.0	1.4	18
Nutrition Indicators										
No. of hhs w/ improved practices	n/a	35,000	n/a	n/a	42,000	24,860	59	49,000		
Dietary diversity score	4.3	5	n/a	n/a	5.5	6.4	116	6		
% of beneficiaries who are female	n/a	40			50	44	88	50	50	100
Children <5 stunted (%)	39					35		34		
Children <5 wasted (%)	1				1	1	100	1		
Children < 5 underweight (5)	25				23	13	177 ³⁷	22		
Other Indicators										
Increase in vehicle traffic	n/a	20			20			20		
Increase in mills/shops on roads	n/a	10								
Km. farm-to-market road rehab'd.	n/a	30			100			120		
Performing total loans (%)	n/a	98			99			99		
% of grantees commercializing	n/a	0			10	15	150	15		

Source: Ssemwanga, 2004

³⁷ Note: less is better.

Annex D

Grants Awarded to Date

[illegible]

Grantee	Status	LOA	Activity Description	Area of operation	LOA budget (Million shs)	% of A/V budget
B. Rural Financial Services	As of 7/24/04					
Standard and Chartered Bank	Approved by FSC	5 yrs	Administration of rural services fund for promoting the production of maize, beans, and oil seeds – country-wide	Country-wide	225	30.6
Centenary Bank	Under Review by G&DU team	4 yrs	Administration of rural services fund for promoting the production of maize, beans, and oil seeds – country-wide	Country-wide	880	120.3
C. Feeder Road Rehabilitation	As of 7/24/04					
Development Research & Training Centre (DETREC)	Approved by FSC	7 mos.	Feeder road rehabilitation & maintenance	Lira District – UOSPA farmers	393	9.2
Uganda Oilseeds Producers and Processors (UOSPA)	Approved by FSC	8 mos.	Feeder road rehabilitation & maintenance	Masindi District – UOSPA farmers	478	11.3
Supplementary funding for UOSPA roads	Approved by FSC	8 mos.	Feeder road rehabilitation & maintenance	Masindi District – for UOSPA farmers	49	1.1
Uganda Rural Development & Training Program (URDT)	Approved by FSC	9 mos.	Feeder road rehabilitation & maintenance	Kibaale Distrivt – with BUFA farmers	476	11.2
Rural Economy and Agriculture Project	Approved by FSC	9 mos.	Feeder road rehabilitation & maintenance	Gulu District with farmers in Palenga	927	21.8
Buganda Cultural and Development Foundation (BUCADEF)	Approved by FSC	9 mos.	Feeder road rehabilitation & maintenance	Kiboga District with BUCADEF farmers	692	16.3

Source: ACDI/VOCA data.

Annex E

Persons Interviewed

George Bamugye	Assistant Monetization Manager	ACDI/VOCA/Uganda
Paul Crawford	Team Leader Strategic Objective 7	USAID/Uganda
David Cutting	Managing Director/Chief Executive	Standard Chartered Bank
Clive Drew	Managing Director	Agricultural Productivity Enhancement Program
Randolph Harris	Senior Manager – Peace Process	USAID/Uganda
Charles Katabalwa	Asst. Programme Coordinator	Community Enterprises Development Organisation
Liz Regan Kiingi	Deputy, Program & Policy Development	USAID/Uganda
Steve Kiingi	Title II HIV/AIDS Compliance Manager	ACDI/VOCA/Uganda
Simon Kimono	Chief Administrative Officer	Kibaale District Local Government
Josephine Kulabako	Program Nutritionist	ACDI/VOCA/Uganda
Sandra Kugonsa-Isingoma	Assistant GDU Manager	ACDI/VOCA/Uganda
Gaster Lule	Managing Director	Ntake Bakery Co. Ltd.
Rosemary Mayiga	Programme Coordinator	Community Enterprises Development Organisation
Abdalla Meftuh	Country Representative	Africare/Uganda
Charles Mugenyi	Projects/Enterprises Development Manager	Uganda Rural Development and Training Programme
Emmet Murphy	Deputy General Manager	ACDI/VOCA/Uganda
Paul Mwebaze	PHH/Marketing Technician	ACDI/VOCA/Uganda
Ntoreine Maria Ngundu	Credit Manager	Centenary Rural Development Bank, Ltd.
Milly Nkaja	Head, Credit/Sales Support	Standard Chartered Bank
Victoria Nkesa	Logistics Assistant	Catholic Relief Services/Uganda
Boniface Lekdwang Ogwang	Finance and Accounts Manager	ACDI/VOCA/Uganda
Fredrick Bwire Ouma	Business Technician	ACDI/VOCA/Uganda
Bernie Runnebaum	General Manager	ACDI/VOCA/Uganda
Rebecca Savoie	Monetization Manager	ACDI/VOCA/Uganda
Fortunate Sewankambo	Director, Communications & Advocacy	World Vision/Uganda
David Hay Smith	Logistics Manager	ACDI/VOCA/Uganda
James K. Ssemwanga	Managing Director	Ssemwanga Group
Walter Welz	Food for Peace Officer	USAID/Uganda
Mark Wood	Deputy Managing Director	APEP
And the farmers, community leaders, local NGO staffs, local government officials, HIV/AIDS – affected household members, and others with whom the evaluation team met and discussed their insights, reflections, successes, and problems.		

Annex F

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Annex F

UGANDA

